

Exhibit "B"

Naval Industrial Reserve Shipyard
Tacoma, Washington
(DoD #442, GSA Control No. N-Wash-595)

NATIONAL SECURITY CLAUSE

Whereas, the Secretary of Defense pursuant to section 4 (1) of the National Industrial Reserve Act of 1948 (Public Law 883, 80th Congress) has designated the premises hereby conveyed a part of the National Industrial Reserve for shipbuilding and ship repair and, whereas, pursuant to section 4 (4) of that act, it has authorized their disposal subject to a National Security Clause formulated in accordance with that Act; now therefore, in consideration of their respective obligations under this instrument, the parties hereto, for themselves, their heirs, successors, and assigns, do hereby enter into the terms, covenants, and conditions hereinafter set forth which shall, together with this paragraph, be collectively known and referred to as the National Security Clause.

ARTICLE I. Definitions. For purposes of this Clause the following definitions will apply:

- (a) The term "premises" means the property transferred by this instrument.
- (b) The term "assigned function" means the function for which the premises have been designated a part of the National Industrial Reserve or for which they may be hereafter redesignated under Article IX hereof.
- (c) The Clause will apply to all land transferred, and also to all items of facilities, machinery and equipment listed in appendix "A" (which are hereinafter collectively referred to as the facilities), attached hereto and hereby made a part hereof.

ARTICLE II. Maintenance. The Grantee hereby covenants and agrees that it will maintain the facilities in such manner that they can be placed, within a period of 120 days, in a condition adequate to perform the assigned function of the premises.

In addition, the Grantee covenants and agrees,

- (a) That it will maintain in accordance with sound practice in the industry, normal wear and tear excepted, that part of the facilities necessary for the assigned function of the premises which is actively being used in its current operations.
- (b) That it will not make any alterations to the facilities which would impair performance of the assigned function of the premises, unless each such alteration can be restored in a period of 60 days or less and the sum total thereof restored in 120 days or less; and
- (c) That it will not dispose of any production equipment or any machinery and equipment transferred as a part of the premises by this instrument, the disposal of which would impair performance of the assigned function of the premises, unless the items so disposed of are immediately replaced with equivalent items.
- (d) That it will not make any alteration to or construction on the land area (i) where building ways previously existed and (ii) where Pier 4 is located, which would impair the utilization of such area for the rebuilding of new ways and a new pier.

Provided, However, that nothing herein contained shall prevent the Grantee from relocating any machinery or equipment within the premises for the purpose of improving operating efficiency or increasing productive capacity so long as the standards of care set forth above are continually observed.

ARTICLE III. Defaults - (a) Inspections. The Grantee and the Government mutually covenant and agree that the latter may, after reasonable prior written notice to the Grantee,

inspect the facilities for the purpose of determining whether the Grantee is in default on its obligations under this Clause.

(b) Determinations of default. If, as a result of such inspection, the Government adjudges the Grantee in default, it shall furnish the latter a written statement setting forth in detail the grounds on which the allegations are based, following which the Grantee shall have thirty days to submit evidence to the contrary. If in the light of the evidence so presented, the Government still holds that the Grantee is in default, it shall then advise the latter of the specific defaults to be corrected and the periods of time in which each correction must be completed, such periods to be as reasonable as possible.

(c) Repairs by the Government. In the event the Grantee fails to correct its defaults in the times stated, the Government shall then have the right to enter the premises for the purpose of correcting the defaults; and the Grantee, or its sureties, will reimburse the Government for all costs incurred by the Government in making such corrections. The Government, or any contractor employed by the Government for the purpose, shall have such right of access to the premises or any part thereof as may be necessary to permit such repairs or replacements.

ARTICLE IV. Government utilization - (a) Negotiation of contract. The Grantee and the Government mutually covenant and agree that, whenever the Government considers the productive capacity of the facilities necessary for national security purposes, they will jointly undertake to negotiate a contract for the Grantee to furnish from the facilities the materials or services for which the premises are designated a part of the National Industrial Reserve.

(b) Repossession. The Grantee hereby covenants and agrees that, in the event the Government determines such a contract is not feasible, or that the Grantee is not qualified to furnish the materials or services required, or that a mutually satisfactory contract cannot be negotiated, the Grantee will turn over to the Government full possession of the premises together with all facilities, structures, improvements, easements, rights-of-way, and other interests appurtenant thereto (including all rights-of-way over and across other property of the Grantee necessary or convenient to the operation or use of the facilities) for such time as the Government deems necessary for national security purposes. The Government's rights to such possession and usage shall vest on the date set by it in written notice to the Grantee, which date shall be not less than 15 days from the date of notice thereof, and shall expire on the termination date of this National Security Clause as provided for in Article XI below.

(c) Withdrawal by the Grantee. The Grantee hereby covenants and agrees that, upon the date set for transfer of the premises to the Government, it will immediately undertake to restore such alterations made by it and to remove such improvements, fixtures, machinery and other equipment installed by it as the Government may direct, such undertaking to be completed in the shortest possible time, but in no event to exceed 120 days from the date of repossession unless otherwise agreed upon between the Grantee and the Government. Thereafter, the Grantee shall have no further right to enter the premises during the period of Government possession except with the prior consent of the latter. During any period of Government possession, the premises may be used, occupied, or operated for or on behalf of the Government by any Government department, agency, agent or by any tenant, contractor, or subcontractor of the Government.

ARTICLE V. Compensation. The Government hereby covenants and agrees that, upon any repossession under IV(b) above, it will pay the Grantee:

(a) At the time of repossession. (1) Fair and reasonable compensation for all losses, not including loss of profits, incurred by the Grantee or its assignees in respect of work

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process in the premises which cannot be completed because of repossession by the Government.

(ii) Fair and reasonable costs incurred by the Grantee or its assignees in complying with Article IV(c).

(b) During each period of possession. (1) Fair and reasonable compensation for the use of the premises as agreed on by the parties hereto at a rate not in excess of prevailing rental for similar properties.

(ii) Fair and reasonable compensation for the use of any production equipment as agreed on by the parties hereto at a rate not in excess of prevailing rental for similar properties.

(c) Upon termination of each period of possession. Fair and reasonable costs incident to reinstallation of machinery and equipment removed from the premises and restoration of the premises to their condition on the date of repossession by the Government, reasonable depreciation excepted.

Any failure of the parties to reach agreement as to what amounts are fair and reasonable under this Article shall be deemed a dispute of fact within the meaning of Article XIII hereof.

ARTICLE VI. Insurance. The Grantee hereby covenants and agrees that the proceeds of any insurance which is required of the Grantee by the terms of this instrument, or by any other agreement between it and the Government, to be placed on the premises or any part hereof will be applied, upon damage to or destruction of the premises by fire or other insurable casualty, to a restoration of the property, unless the Grantee is expressly released from such obligation by the Government.

ARTICLE VII. Subsequent Transfers. The Grantee hereby covenants and agrees not to sell, lease, mortgage or otherwise encumber the facilities without expressly making such sale, lease, mortgage, or encumbrance subject to the provisions of this National Security Clause for the remainder of its term.

ARTICLE VIII. Parties. The Grantee and the Government mutually agree that the latter, in exercising its rights and carrying out its obligations under this National Security Clause, shall act through the Secretary of Defense or such departments, agencies or individuals as he may designate, which may include, without limitation, the Assistant Secretaries of Defense (S and L) and (P and H), the Departments of the Army, Navy, or Air Force, or the General Services Administration. References in this National Security Clause to the Government shall be deemed to refer as appropriate to the Secretary of Defense or such departments, agencies, or individuals as he may designate.

ARTICLE IX. Redesignation of purpose and use of premises. The Government hereby covenants and agrees that, upon a petition by the Grantee for a change in the assigned function of the premises, it will re-evaluate the defense potential of the premises, both for the purposes for which they are designated for inclusion in the National Industrial Reserve and those for which it is requested they be redesignated, and will, if it deems the interests of national security are best served thereby, and upon tender by the Grantee of whatever consideration may be requested, change their designation to that requested by the Grantee. Conversely, the Government may, on its own initiative, recommend a re-designation to the Grantee which, if acceptable to the latter, shall be put into effect. Redesignations under this paragraph may be made only by written instrument and may not be requested by the Grantee more often than once in 6 months.

ARTICLE X. Modification or amendment of the National Security Clause. The Government hereby covenants and agrees that, upon a petition by the Grantee for a reconsideration of the particular application of any of the terms, conditions, reservations or restrictions of the National Security Clause, the Government will, if it deems the interest of national

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security of the land served thereby, modify or amend the Clause to the degree it sees fit (under tender by the Grantee of whatever consideration may be requested. Conversely, the Government may, on its own initiative, recommend modifications or amendments to the Grantee, which, if acceptable to the latter, shall be put into effect.

ARTICLE XI. Termination or revocation of the National Security Clause. The Government and the Grantee mutually covenant and agree that their respective obligations under this National Security Clause, except those of the Grantee to reimburse the Government under Article III or of the Government to furnish compensation under Article V, and except as may be otherwise specified herein, shall terminate 10 years following the date of this instrument or, in the event the Government is in possession at that time in accordance with Article IV(b), upon release of possession by the Government to the Grantee;

Provided, however, that the Government, at its own election, or upon a petition by the Grantee, may reconsider the necessity for continuing all or any part of the Clause in effect and shall, in the event it determines such necessity no longer exists, and upon tender by the Grantee of whatever consideration may be requested, revoke the Clause, in whole or in part, by executing and delivering to the Grantee a release, quitclaim deed, or whatever instrument is necessary to remove the encumbrance of the Clause, or of a part thereof, from the facilities.

ARTICLE XII. Covenants. It is the intention of both the Grantee and the Government that these covenants shall run with the land and bind subsequent purchasers of the premises hereby conveyed: Provided, however, that the Grantee shall not be liable for any violation of said covenants by subsequent owners of the premises.

ARTICLE XIII. Dispute. Disputes on questions of fact which cannot be resolved by agreement of the parties shall be decided by the Secretary of Defense or the instrumentality duly and expressly designated by him, whose decision shall be final and conclusive. In connection with any proceeding under this Article, the Grantee shall be afforded an opportunity to be heard and to offer evidence in support of its own case. Pending final decision of a dispute hereunder, the Grantee shall proceed diligently with the performance of its obligations under the Clause.

ARTICLE XIV. Recordation. The Grantee shall forthwith cause this instrument to be duly recorded and shall furnish satisfactory evidence of such to the Government.

ARTICLE XV. Saving provision. The Grantee and the Government mutually covenant and agree that nothing in this Clause shall be construed as affecting obligations of the Grantee under any other provisions of this instrument, except that, in any case of inconsistency or ambiguity, the provisions of this National Security Clause shall, to the extent that they impose greater obligations on the Grantee, be deemed controlling.

ADDENDUM TO LEASE

The parties hereto are PORT OF TACOMA, a duly organized Port District of Pierce County, Washington, the owner herein, and ZIDELL DISMANTLING, INC., a Washington corporation, the Tenant herein. The Tenant was formerly known as ZIDELL-MICHAELS DISMANTLING, INC.

The parties hereto, on February 19, 1960, entered into a LEASE AND RENTAL AGREEMENT covering certain real and personal property in Pierce County, Washington which is more particularly described therein, for a term of ten years commencing January 11, 1960, subject to cancellation and/or review of rentals under certain terms and conditions therein set forth. All pertinent matter in said LEASE AND RENTAL AGREEMENT is by reference incorporated herein as though fully set forth. Tenant was designated by its former name of Zidell-Michaels Dismantling, Inc. in said lease.

Tenant now requires additional space. The parties have agreed and hereby agree that the hereinafter-described real property, situated in Pierce County, Washington, be, and it hereby is added to the property covered by said lease, effective April 1, 1962. The added property is described as:

Commencing at the most easterly monument of the intersection of East 11th Street and Alexander Avenue in the SE 1/4, Sec. 27, T. 21 N., R. 3 E. W.M., said monument being on the center line of Alexander Avenue; thence N 47° 15' 36" W along said center line a distance of 330.0'; thence S 42° 44' 24" W a distance of 60.0' to the true point of beginning of this description; thence continuing S 42° 44' 24" W a distance of 240.0'; thence N 47° 15' 36" W a distance of 630.0'; thence N 22° 08' 42" W a distance of 176.71'; thence S 47° 15' 35" E 570.0'; thence N 42° 44' 24" E a distance of 165.0'; thence S 47° 15' 35" E a distance of 220.0' to the true point of beginning.

Containing 2 plus acres.

Rental of said real property shall be \$200.00 per month over and above the rental set in said 1960 lease, commencing

(Addendum to Lease -- 1)

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April 1, 1962, which Tenant agrees to pay as follows:

\$66.67 for the fractional month, April 1 to 10, 1962, inclusive, payable on the execution of this Addendum, and \$200.00 on the 11th day of April, 1962, and a like sum on the 11th day of each and every month thereafter during the remainder of the term of said 1960 lease, subject, nevertheless to cancellation and/or review of rental as provided in said lease.

Tenant's lease bond shall forthwith be increased by an additional amount of \$3200.00 to bring the amount into compliance with the provisions of RCW 53.08.080.

Except as herein expressly provided, all of the provisions of said lease of February 19, 1960 shall remain in full force and effect and shall hereafter apply to the additional real property above described as fully as though the same had been described in said lease.

IN WITNESS WHEREOF, the parties hereto have caused this lease to be executed by their proper officers thereunto authorized this 4th day of April, 1962.

PORT OF TACOMA

By [Signature]
Its President.

By [Signature]
Its Secretary.

ZIDELL DISMANTLING, INC.

By [Signature]
Its _____

By [Signature]
Its _____

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STATE OF WASHINGTON,)
COUNTY OF PIERCE.) ss.

On this 4th day of April, 1952, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared M. S. ERDAEL and MAURICE RAYMOND, to me known to be the President and Secretary, respectively, of Port of Tacoma, the Port District that executed the said instrument and acknowledged the said instrument to be the free and voluntary act and deed of said Port District, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute the said instrument and that the seal affixed is the corporate seal of said Port District.

WITNESS my hand and official seal hereto affixed
the day and year first above written.

John A. Karkhanavich
Notary Public in and for the State
of Washington, residing at Tacoma.

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ZIDELL DISM.

SECOND ADDENDUM TO LEASE

WHEREAS, the parties hereto, The Port of Tacoma, a duly organized Port District of Pierce County, Washington, as owner, and Zidell Dismantling, Inc., (formerly Zidell-Michaels Dismantling, Inc.) a Washington corporation, as tenant, entered into a certain lease and rental agreement on February 19th, 1960, covering real and personal property described therein, which agreement was modified by an addendum duly executed by the parties on April 4th, 1962, and

WHEREAS, the parties hereto wish to further modify the terms of said lease and rental agreement,

NOW THEN IT IS MUTUALLY AGREED by the parties hereto as follows:

1. The term of the existing lease and rental agreement is extended for an additional period of ten (10) years, commencing on January 11th, 1970. Provided, however, that the same may be cancelled upon twenty-four (24) months' notice given in writing by either of the parties.

2. The rentals provided in the existing lease and first addendum shall continue in effect until January 11, 1972, except as modified in the next succeeding paragraph. Commencing on such date all rentals under the existing lease and addenda shall be adjusted to reflect the then reasonable rental value of the demised real and personal property. Such rentals shall thereafter be similarly adjusted at two-year intervals during the term of the lease and addenda. In no event shall the rental be raised or reduced by more than 10 per cent of the rental for the preceding period.

3. The tenant now has possession and use of Cranes No. 22 and 13, and pursuant to the existing lease pays a monthly rental of One Thousand (\$1,000.00) Dollars therefor. Within sixty (60) days of execution of this addendum the tenant will return possession of Crane No. 22 to the owner in as good condition as when received,

saving only ordinary wear and tear. Upon the date of return of said crane the rental therefor will abate, and commencing on such date of return the rental for Crane No. 13 will be Five Hundred (\$500.00) Dollars per month, payable monthly in advance. The terms and mutual cancellation provisions in the preceding paragraphs shall be applicable to the rental of said crane.

4. As part of the consideration for this addendum, the owner releases and conveys to the tenant its interest in those parts of former Crane No. 3 which are in its possession. Such items have been inspected by the tenant, who accepts them in their present condition.

5. Except as above modified, the lease and rental agreement dated February 19th, 1960 and the first addendum thereto dated April 4th, 1962 remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this Second Addendum to Lease to be executed by their proper officers thereunto authorized this 70 day of August, 1969.

PORT OF TACOMA

BY *[Signature]*
Its President
BY: *[Signature]*
Its Acting Secretary

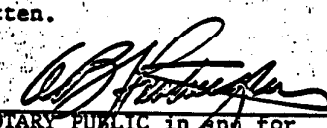
ZIDELL DISMANTLING, INC.

BY: *[Signature]*

STATE OF WASHINGTON)
County of Pierce } ss.

On this 10 day of August, 1969, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Robert G. Earley and A. E. Blair, to me known to be the President and Acting Secretary, respectively, of Port of Tacoma, the Port District and executed the said instrument and acknowledged the said instrument to be the free and voluntary act and deed of said Port District, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute the said instrument and that the seal affixed is the corporate seal of said Port District.

WITNESS my hand and official seal hereto affixed
the day and year first above written.


NOTARY PUBLIC in and for
the State of Washington,
residing at Tacoma.

APPROVED AS TO FORM:


James J. Mason,
Port Counsel

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THIRD ADDENDUM TO LEASE

WHEREAS, the parties hereto, The Port of Tacoma, a duly organized Port District of Pierce County, Washington, as owner, and Zidell Dismantling, Inc., (formerly Zidell-Michaels Dismantling, Inc.) a Washington corporation, as tenant, entered into a certain lease and rental agreement on February 19th, 1960, covering real and personal property described therein, which agreement was modified by an addendum duly executed by the parties on April 4th, 1962, and a second addendum duly executed by the parties on August 20th, 1969, and

WHEREAS, the parties hereto wish to further modify the terms of said lease and rental agreement,

NOW THEN IT IS MUTUALLY AGREED by the parties hereto as follows:

1. The tenant now has possession and use of Crane No. 13, and pursuant to the existing lease and second addendum pays a monthly rental of Five Hundred (\$500.00) Dollars therefor. Crane No. 22, formerly held under the lease, has been returned to the owner as provided in the second addendum.

2. Owner hereby leases to tenant the following described personal property now situated on Pier 24 of Port of Tacoma, to-wit:

Crane No. 241 (formerly No. 6) being Clyde Whirley Crane No. CW3332, for a term commencing January 1, 1971 and ending on January 11, 1972 at a rental of \$500.00 per month, payable with and in addition to the other rentals due and to become due under said lease and addenda. Owner makes no representation or warranty as to the condition of said Third Addendum to Lease - Page 1.

BINNS, PETRICH, MASON AND HESTER
ATTORNEYS AT LAW
1000 SOUTH YAKIMA AVENUE
TACOMA, WASHINGTON 98402
TELEPHONE - BROADWAY 5-6197

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1 crane. It is the intention of the parties that except as
2 expressly stated herein, this transaction becomes a part
3 of and subject to all of the applicable terms of said
4 lease and said addenda which are now in effect.

5 Tenant agrees to move said crane from its present
6 location to Pier 25 of Port of Tacoma, at tenant's expense
7 and to be responsible for any damage incurred in or as a
8 result of the move. Tenant agrees that all provisions of
9 said lease and said addenda referring to maintenance of
10 any crane and the condition in which any crane is to be
11 returned to the Port shall apply to Crane No. 241. All
12 provisions as to liability insurance contained in said
13 lease or either of said addenda shall apply to this trans-
14 action. In case of conflict between any such provisions
15 the ones most favorable to the Port of Tacoma shall prevail.
16 Crane No. 241 shall not be removed from Pier 25 without
17 written consent of the Port of Tacoma.

18 3. Except as above modified, the lease and rental
19 agreement dated February 19th, 1960 and the first addendum
20 thereto dated April 4th, 1962 and seconded addendum dated
21 August 20th, 1969 remain in full force and effect.

22 IN WITNESS WHEREOF, the parties hereto have caused
23 this Third Addendum to Lease to be executed by their proper
24 officers thereunto authorized this 15th day of December,
25 1970.

26 PORT OF TACOMA

27 BY: *Barbara D. ...*
Its President

28 BY: *[Signature]*
29 Its Secretary

30 ZIDELL DISMANTLING, INC.

BY: _____

Third Addendum
to lease - Page 2.

BINNS, PETRICH, MASON AND HESTER
ATTORNEYS AT LAW
1000 SOUTH TACOMA AVENUE
TACOMA, WASHINGTON 98400
TELEPHONE - BROADWAY 2-2127

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STATE OF WASHINGTON)
County of Pierce } ss.

On this 16th day of December, 1970, before me, the undersigned, a Notary Public in and for the State of Washington duly commissioned and sworn, personally appeared RICHARD D. SMITH and R. G. EARLEY, to me known to be the President and Secretary, respectively, of Port of Tacoma, the Port District which executed the said instrument and acknowledged the said instrument to be the free and voluntary act and deed of said Port District, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute the said instrument and that the seal affixed is the corporate seal of said Port District.

WITNESS my hand and official seal hereto affixed the day and year first above written.

NOTARY PUBLIC in and for
the State of Washington,
residing at Tent

APPROVED AS TO FORM

John H. Binns
JOHN H. BINNS
Port Counsel

Third Addendum to Lease - Page 1.

BINNS, PETRICH, MASON AND HESTER
ATTORNEYS AT LAW
1008 SOUTH YACOMA AVENUE
TACOMA, WASHINGTON 98406
TELEPHONE - BROADWAY 3-2197

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FOURTH ADDENDUM TO LEASE

WHEREAS, the parties hereto, the Port of Tacoma, a duly organized Port District of Pierce County, Washington, as Owner, and Zidell Dismantling, Inc., (formerly Zidell-Michaels Dismantling, Inc.) a Washington corporation, as Tenant, entered into a certain lease and rental agreement on February 19th, 1960, covering real and personal property described therein, which agreement was modified by an addendum duly executed by the parties on April 4th, 1962, and a second addendum duly executed by the parties on August 20th, 1969; and a third addendum duly executed by the parties on December 16, 1970, and whereas the parties wish to extend the provisions of said agreement as herein set forth,

Now then, it is mutually agreed as follows:

1. Crane Lease. The Owner hereby leases to the Tenant the following described personal property now situated on Pier 24, Port of Tacoma, to-wit:

Crane No. 241 (formerly No. 6), being Clyde
Whirley Crane No. CWS332,

for a term commencing January 13th, 1972 and ending on January 11th, 1973 at a rental of \$500.00 per month, payable with and in addition to the other rentals due and to become due under said lease and addenda.

Owner makes no representation or warranty respecting the condition or capacity of said crane.

2. Integration Clause. This addendum is a part of said lease and addenda. Except as expressly set forth herein, this addendum is subject to all of the applicable terms of said lease and addenda as they are in effect on the date hereof. Such terms and conditions include, but are not limited to, those referring to maintenance of any crane and the condition in

1 which any crane is to be returned to the Owner, which pro-
2 visions shall apply to Crane No. 241. They further include
3 all provisions respecting liability insurance. In case of
4 conflict between any such provisions, those most favorable
5 to the Owner shall apply. Except as modified herein, said
6 lease and addenda shall remain in full force and effect.

7 IN WITNESS WHEREOF, the parties hereto have caused this
8 Fourth Addendum to Lease to be executed by their proper
9 officers thereunto authorized this 13th day of January, 1972.

10 PORT OF TACOMA

11 BY: Richard D. Smith
12 Its President

13 BY: R. G. Early
14 Its Secretary

15 ZIDELL DISMANTLING, INC.

16 BY: [Signature]
17 Its President

18 STATE OF WASHINGTON)
19 County of Pierce (ss.

20 On this 13th day of January, 1972, before me, the under-
21 signed, a Notary Public in and for the State of Washington
22 duly commissioned and sworn, personally appeared RICHARD D.
23 SMITH and R. G. EARLY, to me known to be the President and
24 Secretary, respectively of Port of Tacoma, the Port District
25 which executed the said instrument and acknowledged the said
26 instrument to be the free and voluntary act and deed of said
27 Port District, for the uses and purposes therein mentioned,
28 and on oath stated that they were authorized to execute the
29 said instrument and that that the seal affixed is the corp-
30 orate seal of said Port District.

WITNESS my hand and official seal hereto affixed the
day and year first above written.

26 Sharon J. Starn
27 NOTARY PUBLIC in and for the State
28 of Washington, residing at Tacoma.

29 APPROVED AS TO FORM

30 [Signature]
Counsel for Port of Tacoma

FIFTH ADDENDUM TO LEASE

1 WHEREAS, the parties hereto, the Port of Tacoma, a duly
2 organized Port District of Pierce County, Washington, as
3 Owner, and Zidell Dismantling, Inc., (formerly Zidell-
4 Michaels Dismantling, Inc.), a Washington corporation, as
5 Tenant, entered into a certain lease and rental agreement on
6 February 19th, 1960, covering real and personal property des-
7 cribed therein, which agreement was modified by an addendum
8 duly executed by the parties on April 4th, 1962, and a second
9 addendum duly executed by the parties on August 20th, 1969;
10 and a third addendum duly executed by the parties on December
11 16th, 1970, and a fourth addendum duly executed by the
12 parties on January 13th, 1972, and whereas the parties wish
13 to extend the provisions of said agreement as herein set
14 forth,

15 Now then, it is mutually agreed as follows:

16 1. Crane Lease. The Owner hereby leases to the Tenant
17 the following described personal property now situated on Pier
18 25, Port of Tacoma, to-wit:

19 Crane No. 241 (formerly No. 6), being Clyde

20 Whirley Crane No. CW3332,

21 for a term commencing January 12th, 1973 and ending on January
22 11th, 1974, at a rental of \$500.00 per month, payable with
23 and in addition to the other rentals due and to become due
24 under said lease and addenda.

25 Owner makes no representation or warranty respecting the
26 condition or capacity of said crane.

27 2. Integration Clause. This addendum is a part of said
28 lease and addenda. Except as expressly set forth herein, this
29 addendum is subject to all of the applicable terms of said
30 lease and addenda as they are in effect on the date hereof.

1 Such terms and conditions include, but are not limited to,
2 those referring to maintenance of any crane and the condition
3 in which any crane is to be returned to the Owner, which pro-
4 visions shall apply to Crane No. 241. They further include
5 all provisions respecting liability insurance. In case of
6 conflict between any such provisions, those most favorable
7 to the Owner shall apply. Except as modified herein, said
8 lease and addenda shall remain in full force and effect.

9 IN WITNESS WHEREOF, the parties hereto have caused this
10 Fifth Addendum to Lease to be executed by their proper
11 officers thereunto authorized this 11 day of January, 1973.

12 PORT OF TACOMA

13 BY: Richard D. Smith
14 Its President

15 BY: R. G. Earley
16 Its Secretary

17 ZIDELL DISMANTLING, INC.

18 BY: Jack Bidell
19 Its: V.P.

20 STATE OF WASHINGTON)
21 County of Pierce) ss.

22 On this 11th day of January, 1973, before me, the under-
23 signed, a Notary Public in and for the State of Washington,
24 duly commissioned and sworn, personally appeared RICHARD D.
25 SMITH and R. G. EARLEY, to me known to be the President and
26 Secretary, respectively of Port of Tacoma, the Port District
27 which executed the said instrument and acknowledged the said
28 instrument to be the free and voluntary act and deed of said
29 Port District, for the uses and purposes therein mentioned,
30 and on oath stated that they were authorized to execute the
said instrument and that the seal affixed is the corporate
seal of said Port District.

WITNESS my hand and official seal hereto affixed the
day and year first above written.

31 Sharon L. Staur
32 NOTARY PUBLIC in and for the State
33 of Washington, residing at

34 APPROVED AS TO FORM

35 James J. O'Keefe
36 Counsel for the
Port of Tacoma

FIFTH ADDENDUM TO LEASE - Page 2.

ZID1040087

MONTH-TO-MONTH
RENTAL AGREEMENT

The parties to this agreement are the Port of Tacoma, a duly organized Port District of Pierce County, Washington, the Owner herein, and Zidell Dismantling, Inc. the Tenant herein.

WITNESSETH: The Owner rents to the Tenant the following described area in Port of Tacoma Industrial Yard, Tacoma, Pierce County Washington, to wit:

All of the lower floor and 2000 sq. ft. in the southeasterly section of the second floor of Bldg. #592.

on a month-to-month basis commencing February 1, 1961, at a rental of Eight Hundred and Fifteen and no/100 Dollars (\$815.00) per month, payable monthly in advance at Owner's office.

Owner will provide electric power at one cent per kilowatt hour so long as it may legally do so, PROVIDED that if the City of Tacoma increases the rate to Owner the rate to Tenant shall be increased proportionately.

Owner will provide water at the following rates:
13-1/2¢ per unit through domestic systems
27¢ through fire mains

as long as it may legally do so, PROVIDED that if the City of Tacoma increases the rate to Owner the rate to Tenant shall be increased proportionately.

Tenant will furnish his own heat and heating equipment.

Tenant's business is ship dismantling. It will not conduct any other or different business upon the premises without the written consent of Owner, which consent will not be arbitrarily withheld. The building is to be used for an administration office, utilities and storage and sales room.

Tenant shall have the right of continuous ingress and egress from the gate to and from the rented premises for vehicles and foot passengers.

Tenant has inspected the premises and is familiar with their present condition. Tenant accepts the premises as they are and agrees to stand all expense of making them ready for occupancy. Tenant will maintain the interior of the premises and return the same to Owner upon the termination of the tenancy in as good or better

ZID1040088

condition than when first occupied.

All structures and improvements other than trade fixtures and equipment placed on the said premises during said tenancy shall be deemed a permanent part of the real property and shall become and remain the property of the Port.

In case of default in any payment herein provided for to be made by Tenant it shall be lawful for Owner to re-enter the premises and to remove all persons therefrom. Tenant hereby covenants, promises and agrees to pay the Owner the rents and covenants herein contained or subsequently agreed upon between the parties, or their assignee, should any portion of the premises herein involved be sublet or assigned to any third party. Tenant shall not sublet or assign without Owner's written consent. Tenant agrees that during the term of this lease it will not allow any open fire on the premises.

Owner reserves the right to inspect the premises at any time as to compliance with law, safety regulations and practices and the terms of this agreement. Owner may, at its option, in whole or in part but without obligation on its part, include the premises in its watchman service without cost to Tenant.

Owner shall hold tenant harmless and free from liability for loss or damage to the building covered by this agreement caused by fire and "Extended Coverage" hazards, without regard to whether such loss or damage be the result of any act or neglect of Tenant, its agents or employees, and Owner expressly waives all claims for such loss or damage.

Tenant shall hold Owner harmless and free from liability to Tenant for loss or damage to the building covered by this agreement and all property of Tenant on the demised premises caused by fire and "Extended Coverage" hazards without regard to whether such loss or damage be the result of any act of neglect of Owner, its agents or employees. Tenant expressly waives all claims for such loss or damage.

Tenant agrees to hold Owner harmless as to all claims arising out of damage to the property of third parties and bodily injuries to or the death of any person or persons in or about said premises, and to furnish a certificate of insurance naming

the Port of Tacoma as an additional assured with limits of \$100,000/\$300,000 for bodily injuries and \$50,000 for property damage.

Tenant agrees to keep said premises in a clean and safe condition and to comply with all police, sanitary or safety laws and all applicable regulations or ordinances of all governmental bodies having authority over said premises or any part thereof.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by their proper officers thereunto authorized this _____ day of _____, 1961.

PORT OF TACOMA

M. R. ...
Vice President
W. H. ...
Secretary

ZIDELL DISMANTLING, INC.

Ernest Zidell

RENTAL AGREEMENT

THIS AGREEMENT, Made August 8th, 1961, by and between the PORT OF TACOMA, a duly organized Port District of Pierce County, Washington, the owner herein, and ZIDELL DISWARTLING, INC., a corporation, the tenant herein,

WITNESSETH: The owner hereby rents unto the tenant the following described personal property now situate in Port of Tacoma Industrial Yard, Tacoma Washington, to-wit:

One truck scale, Toledo, Model 6951 CB
Navy Identification No. 001797,

for a term of one year commencing August 1, 1961 at a rental of ONE HUNDRED TWENTY (\$120.00) DOLLARS per year. It is understood that this agreement will be automatically extended from year to year unless cancelled by either party. Owner makes no representation or warranty as to the condition of said scale.

The use of the subject equipment shall be non-exclusive, the owner reserves the right to use the equipment for its own needs, and further reserves the right to concurrently rent the scale to others.

It is understood that the subject agreement shall be cancellable by either party by thirty (30) days written notice, in which case any unearned rent which is paid in advance shall be refunded on a pro-rated basis.

It is understood and agreed that owner's title to the above described personal property is subject to a "National Security Clause" contained in or attached to the conveyance of the Tacoma Naval Industrial Shipyard property by the United States of America to owner. Copy of said National Security Clause is hereto attached, marked "Exhibit A" and fully incorporated herein by reference. Tenant accepts said personal property subject to all of the provisions of said National Security Clause. If the United States exercises its right to recover possession of said personal property, this Rental Agreement is automatically terminated and the rights of the parties are fixed as of the time the United States takes possession of said personal property.

(Rental Agreement - 1)

ZID1040091

Upon receipt of the said personal property, tenant shall sign a standard custody receipt. The provisions of this agreement and of the custody receipt shall be cumulative, and nothing contained in either shall excuse performance of any requirement of the other.

Tenant shall comply with all maintenance requirements of the said National Security Clause and shall keep said equipment in good working order and shall return it to owner in condition equal to or better than that in which tenant received it. Owner may inspect the equipment at all reasonable times. If upon inspection owner finds the equipment inoperative, in poor condition, or in need of repair, tenant shall make all repairs and replacements necessary for full compliance herewith, the same to be completed within sixty days after written notice by owner. If tenant does not do so, owner may have the same done at tenant's expense.

Tenant shall be responsible for all damage to said equipment and indemnify owner for all such damage.

Tenant agrees to hold owner harmless as to all claims arising out of damage to the property of third parties and bodily injuries to or the death of any person or persons arising out of or in any way connected with tenant's possession, use and/or operation of said machinery and to furnish a certificate of insurance naming the Port of Tacoma as an additional assured with limits of \$100,000.00/\$300,000.00 for bodily injuries and \$50,000.00 for property damage.

IN WITNESS WHEREOF, the parties have executed this agreement this

14th day of August, 1961.

PORT OF TACOMA

By

By

ZIDELL DISMANTLING, INC.

By

By

(Rental Agreement - 2)

ZID1040092

RENTAL AGREEMENT

PERSONAL PROPERTY

THIS AGREEMENT, made this 23rd day of January, 1967, by and between the PORT OF TACOMA, a duly organized Port District of Pierce County, Washington, the Owner herein, and

ZIDELL DISMANTLING, INC.

the tenant herein,

WITNESSETH: The Owner hereby rents to the Tenant the following described personal property now situated in PORT OF TACOMA INDUSTRIAL YARD, Tacoma, Washington, to-wit:

Trailer-50 Ton Plant Acct. No. 001335

on a month-to-month basis beginning Feb. 1, 1967, at a rental of FIFTY & no/100 ----- DOLLARS per month for each -----, payable monthly in advance at the office of the Owner. Owner makes no representation or warranty as to the condition of said personal property.

It is understood and agreed that Owner's title to the above described personal property is subject to a "National Security Clause" contained in or attached to the conveyance of the Tacoma Naval Industrial Shipyard property by the United States of America to Owner. Copy of said National Security Clause is attached hereto, marked "Exhibit A" and fully incorporated herein by reference. Tenant accepts said personal property subject to all of the provisions of said National Security Clause. If the United States exercises its right to recover possession of said personal property, this Rental Agreement is automatically terminated and the rights of the parties are fixed as of the time the United States takes possession of said personal property.

The said personal property shall be located and used only at

Portland, Oregon 3121 S.W. Moody

and shall not be removed therefrom without the written consent of Owner. Tenant shall return the Trailer to such place in the City of Tacoma as the owner shall designate, at his expense, upon the termination of the tenancy.

Upon receipt of said personal property, Tenant shall sign a standard custody receipt. The provisions of this Agreement and of the custody receipt shall be cumulative, and nothing contained in either shall excuse performance of any requirement of the other.

Tenant shall keep said personal property in good working order and shall return it to Owner in condition equal to or better than that in which Tenant received it, less ordinary wear and tear. Owner may inspect the said personal property at all reasonable times. If upon inspection Owner finds the equipment inoperative, in poor condition, or in need of repair, Tenant shall make all repairs and replacements necessary for full compliance herewith, the same to be completed within sixty days after written notice by Owner. If Tenant does not do so, Owner may have the same done at Tenant's expense.

50
1000
1510900

ZID1040093

~~XX~~

IN WITNESS WHEREOF, the parties have executed this Agreement
this 23rd day of January, 1967.

By James H. Fenn
Its _____

By _____
Its _____

By Jack Zidell
Its V.P.

By _____
Its _____

ZID1040094

RENTAL AGREEMENT

PERSONAL PROPERTY

THIS AGREEMENT, made this 17th day of April, 1967, by and between the PORT OF TACOMA, a duly organized Port District of Pierce County, Washington, the Owner herein, and

ZIDELL DISMANTLING, INC.

the tenant herein,

WITNESSETH: The Owner hereby rents to the Tenant the following described personal property now situated in PORT OF TACOMA INDUSTRIAL YARD, Tacoma, Washington, to-wit:

Trailer-50 Ton Plant Acct. No. 001337

on a month-to-month basis beginning June 1, 1967, at a rental of FIFTY & 00/100 DOLLARS per month for Trailer, payable monthly in advance at the office of the Owner. Owner makes no representation or warranty as to the condition of said personal property.

It is understood and agreed that Owner's title to the above described personal property is subject to a "National Security Clause" contained in or attached to the conveyance of the Tacoma Naval Industrial Shipyard property by the United States of America to Owner. Copy of said National Security Clause is attached hereto, marked "Exhibit A" and fully incorporated herein by reference. Tenant accepts said personal property subject to all of the provisions of said National Security Clause. If the United States exercises its right to recover possession of said personal property, this Rental Agreement is automatically terminated and the rights of the parties are fixed as of the time the United States takes possession of said personal property.

The said personal property shall be located and used only at

Portland, Oregon - 3121 S. W. Moody

and shall not be removed therefrom without the written consent of Owner. Tenant shall return the Trailer to such place in the City of Tacoma as the owner shall designate, at his expense, upon the termination of the tenancy.

Upon receipt of said personal property, Tenant shall sign a standard custody receipt. The provisions of this Agreement and of the custody receipt shall be cumulative, and nothing contained in either shall excuse performance of any requirement of the other.

Tenant shall keep said personal property in good working order and shall return it to Owner in condition equal to or better than that in which Tenant received it, less ordinary wear and tear. Owner may inspect the said personal property at all reasonable times. If upon inspection Owner finds the equipment inoperative, in poor condition, or in need of repair, Tenant shall make all repairs and replacements necessary for full compliance herewith, the same to be completed within sixty days after written notice by Owner. If Tenant does not do so, Owner may have the same done at Tenant's expense.

ZID1040095

RECEIPT NO. 297

SALE

ISSUED TO Zidell Dismantling, Inc.

LOAN X

REGISTER AND CUSTODY RECEIPT
PORT OF TACOMA - INDUSTRIAL YARD

DATE April 17, 1967

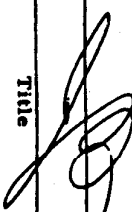
QUANTITY	DESCRIPTION OF ITEM	ACCOUNT NO.	PAGE NO.	FROM BIDD. NO.	DESCRIPTION
1	50-ton trailer	001337			

REMARKS On Rental Agreement dated April 17, 1967 At \$50.00 per month

ISSUANCE APPROVED

PICKED UP BY

RECEIPT & CUSTODY OF
ABOVE ITEM ACKNOWLEDGED


Title

ZID1040096

RENTAL AGREEMENT

RECEIVED

1967

ZIDELL DISM.

The parties to this agreement are the PORT OF TACOMA, a duly organized Port District of Pierce County, Washington, the owner herein, and ZIDELL DISMANTLING, INC., a Washington corporation, the tenant herein.

The owner rents to the tenant the following described area in Port of Tacoma Industrial Yard, Tacoma, Pierce County, Washington, to wit:

Beginning at the intersection of the westerly line of Shipway No. One, with a line 55.0' northwesterly of and parallel with the northwesterly line of Bldg. #532 in the Port of Tacoma Industrial Yard; thence southwesterly along said line a distance of 400.0'; thence easterly to a point on the easterly line of Shipway No. 5; thence left ninety degrees (90°) a distance of 50.0'; thence right at an angle of ninety degrees (90°) a distance of 130.0' to the easterly line of Cranesway No. 6; thence right ninety degrees (90°) a distance of 200.0' thence right ninety degrees (90°) northwesterly a distance of 130.0'; thence left at ninety degrees (90°) a distance of 250.0'; thence right at ninety degrees (90°) a distance of 400.0' to the center line of Cranesway No. 2; thence right southwesterly to the point of beginning an area of approximately 4 acres as per Exhibit A attached.

on a month to month basis beginning August 1, 1967, at a rental of TWO HUNDRED AND FORTY DOLLARS (\$240.00) per month, payable monthly in advance at owner's office. Written consent is required for assignment or subletting.

This agreement cancels and supersedes that rental agreement dated January 25, 1961. ~~244X300~~ \$90-

Owner will provide electric power at one cent per kilowatt hour so long as it may legally do so, provided that if the City of Tacoma increases the rate to owner the rate to tenant shall be increased proportionately.

Owner will provide water at the following rates: 13-1/2c per unit through domestic systems and 27c per unit through fire main systems so long as it may legally do so, provided that if the City of Tacoma increases the rate to owner the rate to tenant shall be increased proportionately.

Tenant shall have the right of continuous ingress and egress from the gate to and from the rented premises for vehicles and foot passengers.

Tenant has inspected the premises and is familiar with their present condition. Tenant accepts the premises as they are and agrees to stand all expense of making them ready for occupancy.

In case of default in any payment herein provided for to be made by

ZID1040097

tenant, it shall be lawful for owner to re-enter the premises and to remove all persons therefrom. Tenant hereby covenants, promises and agrees to pay the owner the rents herein provided for at the times and in the manner above provided for and to be primarily responsible for the rents and covenants herein contained or subsequently agreed upon between the parties, or their assignees should any portion of the premises herein involved by sublet or assigned to any third party. Tenant shall not assign or sublet without the written consent of owner.

Owner reserves the right to inspect the premises at any time as to compliance with law, safety regulations and practices, and the terms of this agreement. Owner may, at its option, in whole or in part, but without obligation on its part, include the premises in its watchman service without cost to tenant.

Owner shall hold tenant harmless and free from liability to tenant for loss or damage to the premises covered by this agreement caused by fire and "Extended Coverage" hazards, without regard to whether such loss or damage be the result of any act or neglect of tenant, its agents or employees, and owner expressly waives all claims for such loss or damage.

Tenant shall hold owner harmless and free from liability to tenant for loss or damage to the premises caused by fire and "Extended Coverage" hazards without regard to whether such loss or damage be the result of any act or neglect of owner, its agents or employees. Tenant expressly waives all claims for such loss or damage.

Tenant agrees to hold owner harmless as to all claims arising out of damage to the property of third parties and bodily injuries to or the death of any person or persons in or about said premises, and to furnish a certificate of insurance naming the Port of Tacoma as an additional assured with limits of \$100,000/\$300,000 for bodily injuries and \$50,000 for property damage.

Tenant agrees to keep said premises in a clean and safe condition and to comply with all police, sanitary or safety laws and all applicable regulations or ordinances of all governmental bodies having authority over said premises or any part thereof.

No structure shall be erected or improvement made by tenant upon said premises without the written consent of owner, which consent will not be arbitrarily refused.

All structures and improvements other than trade fixtures and equipment placed on the said premises during said tenancy shall be deemed permanent part of the real property and shall become, and remain, the property of the Port.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by their proper officers thereunto authorized this _____ day of _____, 1967.

PORT OF TACOMA

Ernest L. Perry
General Manager

ZIDELL DISMANTLING, INC.

Ernest L. Perry

ZID1040099

RENTAL SPACE AGREEMENT

THIS AGREEMENT, made this 18 day of July, 1972,
by and between the PORT OF TACOMA, a duly organized Port District of
Pierce County, Washington, the owner herein, and

ZIDELL DISMANTLING, INC.
P. O. Box 512
Tacoma, Washington 98401

the tenant herein.

WITNESSETH: The owner hereby rents to the tenant the following
described area in Port of Tacoma, Tacoma, Pierce County, Washington,
to-wit:

20,800 sq. ft. in Building 203

on a month-to-month basis beginning August 1, 1972 at a rental of
Eight Hundred Thirty-two and no/100 (\$832.00) - - - - - DOLLARS
per month, payable monthly in advance at the office of the Port Commission
of the Port of Tacoma. Written consent is required for assignment or
subletting. This agreement may be cancelled at any time by thirty (30) days
written notice. Notice may be given by certified mail directed to:

Zidell Dismantling, Inc.
~~P. O. Box 512~~ 401 ALEXANDER
Tacoma, WA 98421

Port of Tacoma
P. O. Box 1837
Tacoma, WA 98401

Tenant shall use the premises for:

Storage

Tenant will not conduct any other or different business upon the said premises
without the written consent of owner, which consent will not be unreasonably
withheld.

Tenant assumes responsibility of preventing damage to plumbing in
freezing weather in premises held or used, and at his expense repair any
damage resulting from freezing conditions.

Owner reserves the right to inspect the premises at any time as to
compliance with law, safety regulations and practices, and the terms of this
agreement.

In case of default in any payment herein provided for to be made by
tenant, it shall be lawful for owner to re-enter the premises and to remove
all persons therefrom. Tenant hereby covenants, promises and agrees to pay
the owner the rents herein provided for at the times and in the manner above
provided for, and to be primarily responsible for the rents and covenant
herein contained or subsequently agreed upon between the parties, or their
assignee, should any portion of the premises herein involved be sublet or
assigned to any third party.

ZID1040100

Owner shall be free from liability to tenant for loss or damage to the building covered by this agreement and all property of tenant on the demised premises caused by fire and "Extended Coverage" hazards, without regard to whether such loss or damage be the result of any act or neglect of owner, its agents or employees. Tenant expressly waives all claims for such loss or damage.

Tenant shall be free from liability to owner for loss or damage to the building covered by this agreement caused by fire and "Extended Coverage" hazards without regard to whether such loss or damage be the result of any act or neglect of tenant, its agents or employees. Owner expressly waives all claims for such loss or damage.

Tenant agrees to hold owner harmless as to all claims arising out of damage to the property of third parties and bodily injuries to or the death of any person or persons in or about said premises, and to furnish a certificate of insurance on an occurrence basis, including contractual liability, naming the Port of Tacoma as an additional assured with limits of \$100,000/\$300,000 for bodily injuries and \$50,000 for property damage. Such certificate shall provide that there shall be no cancellation of, or failure to renew, such insurance without thirty days' written notice to the Port of Tacoma.

Tenant agrees to keep said premises in a clean and safe condition and to comply with all police, sanitary or safety laws and all applicable regulations or ordinances of all governmental bodies having authority over said premises or any part thereof.

Buildings, other than trade fixtures and equipment placed on the said premises during said tenancy, shall be deemed permanent fixtures and become the property of the Port of Tacoma.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by their proper officers thereunto authorized this 12th day of July, 1972.

Owner: PORT OF TACOMA

By Ernest L. Perry
Its General Manager

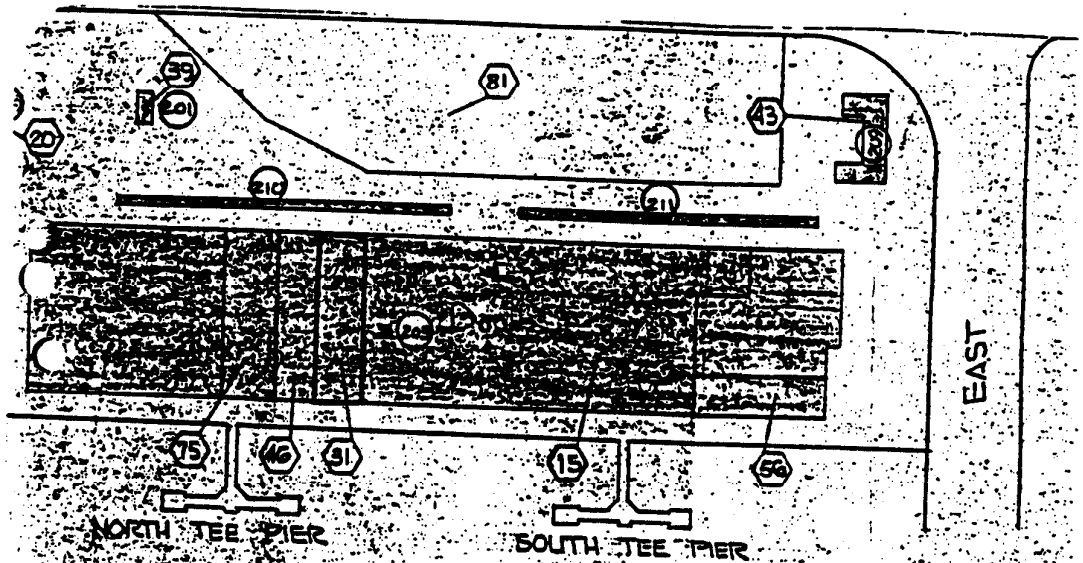
By _____
Its _____

Tenant: TOWELL DISMANTLING, INC.

By Ernest L. Perry
Its _____

By _____
Its _____

ZID1040101



20,800 sq ft Bldg 203
 $80' \times 260' = 20,800 \text{ sq ft}$

EXHIBIT A
 Port of Tacoma
 Industrial Yard

ZID1040102

MOORAGE RENTAL AGREEMENT (DAY-TO-DAY)

THIS AGREEMENT, made in duplicate this 17th day of August, 1973, by and between the PORT OF TACOMA, a duly organized Port District of Pierce County, Washington, the owner herein, and Zidell Diamantling, the tenant herein,

WITNESSETH: The owner hereby rents to the tenant the following described property, situated in Pierce County, Washington, to wit:

Moorage for one ship 880 feet length at
North & South "T" Piers Port of Tacoma Industrial Yard,

on a day-to-day tenancy at a rental of Twenty and no/100----- DOLLARS per day, payable weekly in advance at the offices of owner. The ship is already occupying the designated Berth as of August 4, 1973, 1973, and rent is payable from said date. Tenancy shall cease when tenant removes the ship, or upon 24 hours oral notice from owner.

Tenant shall have the right of continuous ingress and egress from the gate to and from the rented premises for foot passengers.

Tenant has inspected the premises and is familiar with their present condition. Tenant accepts the premises as they are and agrees to pay all expense of making them ready for use and occupancy. The premises are to be used for the moorage of the Bunker Hill ship now at said place and for no other purpose.

In case of default in any payment herein provided for to be made by tenant, or upon 24 hours notice as aforesaid, it shall be lawful for owner to re-enter the premises and remove all persons and property therefrom. Tenant hereby covenants, promises and agrees to pay the owner the rents herein provided for at the times and in the manner above provided for. Tenant agrees that during the time of its occupancy it will not allow any open fire on the premises.

Owner reserves the right to inspect the premises at any time as to compliance with law, safety regulations and practices and the terms of this agreement. Owner may, at its option, in whole or in part, but without obligation on its part, include the premises in its watchman service without cost to tenant.

Tenant shall at all times comply with the Industrial Insurance Act of the State of Washington and all applicable Federal Maritime Acts and furnish Owner with evidence of compliance therewith.

Tenant agrees to hold Owner harmless as to all claims arising out of damage to the property of third parties and bodily injuries to or the death of any person or persons in or about said premises, and to furnish a certificate or certificates of insurance showing that tenant is insured on an occurrence basis with limits of \$300,000/\$500,000 as to bodily injuries and \$50,000 as to property damage. Said certificates or accompanying letters shall obligate the insurers not to reduce or cancel or fail to renew any policy without thirty days written notice to the Port of Tacoma.

If said ship shall sink in or near said Berth or in the channel leading to or from said Berth, tenant agrees to remove the same at its own expense and without unnecessary delay.

Tenant agrees to keep said premises in a clean and safe condition and to comply with all police, sanitary or safety laws and all applicable regulations or ordinances of all governmental bodies having authority over said premises or any part thereof.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed this 17th day of August, 1973

PORT OF TACOMA

By E. L. [Signature]

Its [Signature]

By Zidell Diamantling

Its V. P.

ZID1040103

RENTAL SPACE AGREEMENT

THIS AGREEMENT, made this 14th day of December, 1973,
by and between the Port of Tacoma, a duly organized Port District of Pierce County,
Washington, as owner, and

ZIDELL DISMANTLING INC.
P. O. Box 512
Tacoma, WA 98401

as tenant,

WITNESSETH:

1. Premises: The owner hereby leases to the tenant, and the tenant rents from the owner, subject to the terms and conditions herein contained, the following described area in the Port of Tacoma, Tacoma, Pierce County, Washington:

1.04 acres in the Industrial Yard per Exhibit "A"

2. Term: This agreement shall be on a month-to-month basis commencing January 1, 1974, and may be terminated by either party on 30 days' notice given in writing.

3. Rent: Tenant agrees to pay, and owner agrees to accept, the following rental for the premises:

One Hundred Twenty-Five and no/100 (\$125.00) Dollars per month.

Such rental shall be payable monthly in advance.

4. Use: The leased premises shall be used for the following purpose, and no other, except by written consent of the owner:

Storage of scrap.

5. Assignments and Subleases: The tenant shall not, except by prior written consent of the owner, assign this lease or sublease any portions of the premises.

6. Damage to Premises: The tenant assumes the responsibility of preventing damage to plumbing in freezing weather in premises held or used, and at his expense repair any damage resulting from freezing conditions.

7. Taxes: The tenant agrees to pay and save the owner harmless from any tax imposed on the interest of either party in the premises during this agreement, or imposed upon the parties or either of them by reason of this agreement.

8. Inspection: Owner reserves the right to inspect the premises at any time as to compliance with law, safety regulations and practices, and the terms of this agreement.

9. Remedies: In case of default in any payment herein provided for to be made by tenant, it shall be lawful for owner to re-enter the premises and to remove all persons therefrom. Tenant hereby covenants, promises and agrees to pay the owner the rents herein provided for at the times and in the manner above provided for, and to be primarily responsible for the rents and covenants herein contained or subsequently agreed upon between the parties, or their assignee, should any portion of the premises herein involved by sublet or assigned to any third party.

10. Mutual Waivers: Owner shall be free from liability to tenant for loss or damage to the building covered by this agreement and all property of tenant on the demised premises caused by fire and "Extended Coverage" hazards, without regard to whether such loss or damage be the result of any act or neglect of owner, its agents or employees. Tenant expressly waives all claims for such loss or damage.

ZID1040104

Tenant shall be free from liability to owner for loss or damage to the building covered by this agreement caused by fire and "Extended Coverage" hazards without regard to whether such loss or damage be the result of any act of neglect of tenant, its agents or employees. Owner expressly waives all claims for such loss or damage.

11. Insurance and Hold Harmless: Tenant agrees to hold owner harmless as to all claims arising out of damage to the property of third parties and bodily injuries to or the death of any person or persons in or about said premises, and to furnish a certificate of insurance on an occurrence basis, including contractual liability, naming the Port of Tacoma as an additional assured with limits of \$100,000/\$300,000 for bodily injuries and \$50,000 for property damage. Such certificate shall provide that there shall be no cancellation of, or failure to renew, such insurance without thirty days' written notice to the Port of Tacoma.

12. Compliance with Laws: Tenant agrees to keep said premises in a clean and safe condition and to comply with all police, sanitary or safety laws and all applicable regulations or ordinances of all governmental bodies having authority over said premises or any part thereof.

13. Improvements: Buildings, other than trade fixtures and equipment placed on the said premises during said tenancy, shall be deemed permanent fixtures and become the property of the Port of Tacoma.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by their proper officers thereunto authorized this 14th day of December, 1973.

OWNER: PORT OF TACOMA

BY: Ernest J. Perry

Its

General Manager

BY: _____

Its _____

TENANT: ZIDELL DISMANTLING, INC.

BY: J. B.

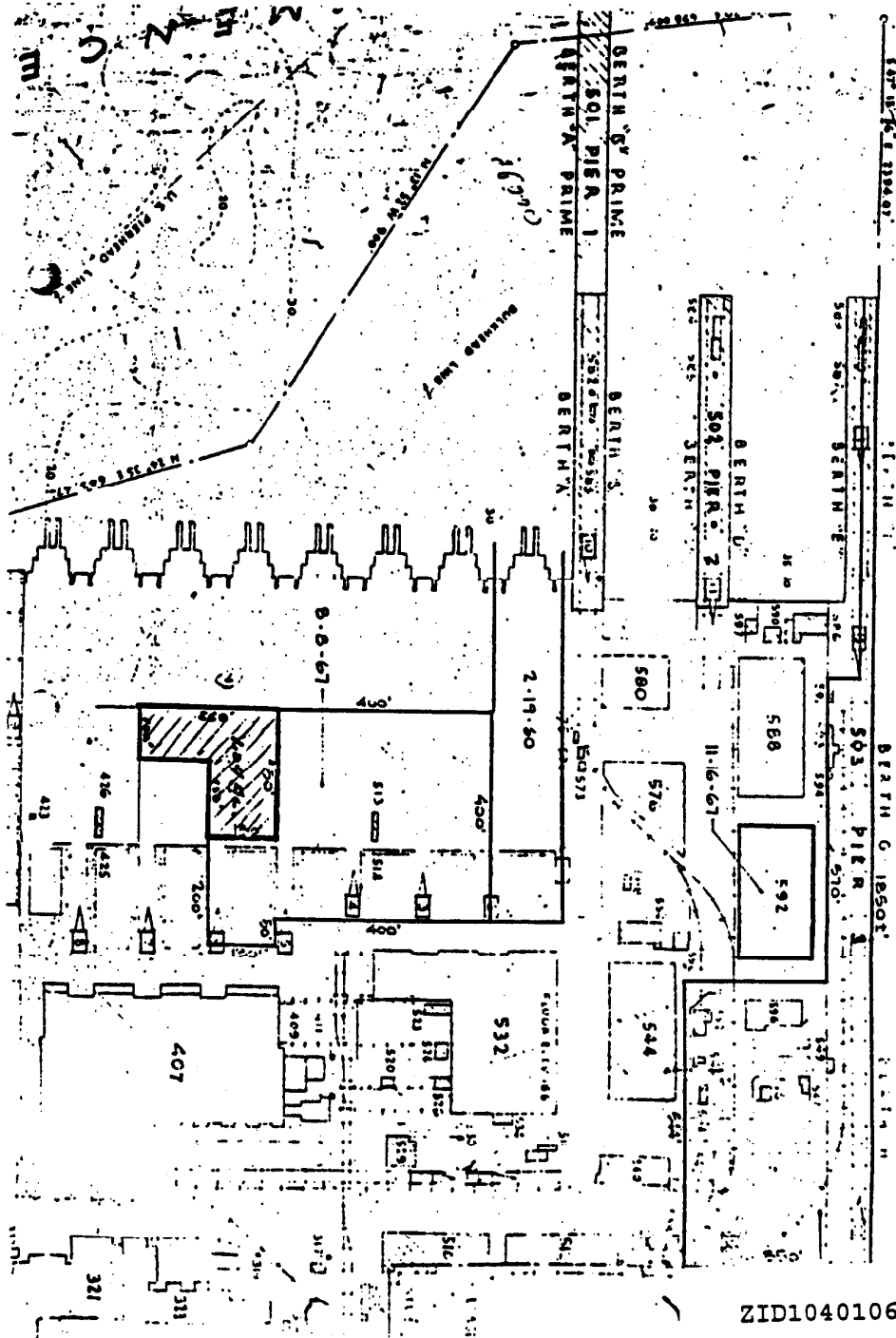
Its

Vice President

BY: _____

Its _____

ZID1040105



RENTAL SPACE AGREEMENT

THIS AGREEMENT, made this 18th day of April, 1974, by and between the Port of Tacoma, a duly organized Port District of Pierce County, Washington, as owner, and

ZIDELL DISMANTLING, INC.
401 Alexander Avenue
Tacoma, Washington 98421

as tenant,

WITNESSETH:

1. Premises: The owner hereby leases to the tenant, and the tenant rents from the owner, subject to the terms and conditions herein contained, the following described area in the Port of Tacoma, Tacoma, Pierce County, Washington:

First Floor, 33,000 s.f. in Building 544 per Exhibit "A".

2. Term: This agreement shall be on a month-to-month basis commencing May 1, 1974, and may be terminated by either party on 30 days' notice given in writing.

3. Rent: Tenant agrees to pay, and owner agrees to accept, the following rental for the premises:

One Thousand Four Hundred Eighty-Five and no/100 (\$1,485.00) Dollars.

Such rental shall be payable monthly in advance.

4. Use: The leased premises shall be used for the following purpose, and no other, except by written consent of the owner:

Storage and sales of scrap.

5. Assignments and Subleases: The tenant shall not, except by prior written consent of the owner, assign this lease or sublease any portions of the premises.

6. Damage to Premises: The tenant assumes the responsibility of preventing damage to plumbing in freezing weather in premises held or used, and at his expense repair any damage resulting from freezing conditions.

7. Taxes: The tenant agrees to pay and save the owner harmless from any tax imposed on the interest of either party in the premises during this agreement, or imposed upon the parties or either of them by reason of this agreement.

8. Inspection: Owner reserves the right to inspect the premises at any time as to compliance with law, safety regulations and practices, and the terms of this agreement.

9. Remedies: In case of default in any payment herein provided for to be made by tenant, it shall be lawful for owner to re-enter the premises and to remove all persons therefrom. Tenant hereby covenants, promises and agrees to pay the owner the rents herein provided for at the times and in the manner above provided for, and to be primarily responsible for the rents and covenants herein contained or subsequently agreed upon between the parties, or their assignee, should any portion of the premises herein involved by sublet or assigned to any third party.

10. Mutual Waivers: Owner shall be free from liability to tenant for loss or damage to the building covered by this agreement and all property of tenant on the demised premises caused by fire and "Extended Coverage" hazards, without regard to whether such loss or damage be the result of any act or neglect of owner, its agents or employees. Tenant expressly waives all claims for such loss or damage.

ZID1040107

Tenant shall be free from liability to owner for loss or damage to the building covered by this agreement caused by fire and "Extended Coverage" hazards without regard to whether such loss or damage be the result of any act of neglect of tenant, its agents or employees. Owner expressly waives all claims for such loss or damage.

11. Insurance and Hold Harmless: Tenant agrees to hold owner harmless as to all claims arising out of damage to the property of third parties and bodily injuries to or the death of any person or persons in or about said premises, and to furnish a certificate of insurance on an occurrence basis, including contractual liability, naming the Port of Tacoma as an additional assured with limits of \$100,000/\$300,000 for bodily injuries and \$50,000 for property damage. Such certificate shall provide that there shall be no cancellation of, or failure to renew, such insurance without thirty days' written notice to the Port of Tacoma.

12. Compliance with Laws: Tenant agrees to keep said premises in a clean and safe condition and to comply with all police, sanitary or safety laws and all applicable regulations or ordinances of all governmental bodies having authority over said premises or any part thereof.

13. Improvements: Buildings, other than trade fixtures and equipment placed on the said premises during said tenancy, shall be deemed permanent fixtures and become the property of the Port of Tacoma.

14. Utilities: Utilities will be at actual cost where individual meters are installed or prorated with other tenants where one meter serves several tenants. Minimum charge will be \$5.00 for electricity and \$2.50 for water.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by their proper officers thereunto authorized this 18th day of April, 1974.

OWNER: PORT OF TACOMA

BY: *Ernest L. Perry*
Its General Manager

BY: _____
Its _____

TENANT: ZIDELL DISTANTLING, INC.

BY: *Jack Riddell*
Its Vice President

BY: _____
Its _____

ZID1040108

RENTAL SPACE AGREEMENT

THIS AGREEMENT, made this 10th day of August, 1974,
by and between the Port of Tacoma, a duly organized Port District of Pierce County,
Washington, as owner, and

ZIDELL DISMANTLING, INC.
401 Alexander Avenue
Tacoma, Washington 98421

as tenant,

WITNESSETH:

1. Premises: The owner hereby leases to the tenant, and the tenant rents from the owner, subject to the terms and conditions herein contained, the following described area in the Port of Tacoma, Tacoma, Pierce County, Washington:

19,400 s.f. per Exhibit "A"

2. Term: This agreement shall be on a month-to-month basis commencing June 1, 1974, and may be terminated by either party on 30 days' notice given in writing.

3. Rent: Tenant agrees to pay, and owner agrees to accept, the following rental for the premises:

One Hundred Ninety-Four and no/100 (\$194.00) Dollars per month.
Such rental shall be payable monthly in advance.

4. Use: The leased premises shall be used for the following purpose, and no other, except by written consent of the owner:

Storage of scrap metal.

5. Assignments and Subleases: The tenant shall not, except by prior written consent of the owner, assign this lease or sublease any portions of the premises.

6. Damage to Premises: The tenant assumes the responsibility of preventing damage to plumbing in freezing weather in premises held or used, and at his expense repair any damage resulting from freezing conditions.

7. Taxes: The tenant agrees to pay and save the owner harmless from any tax imposed on the interest of either party in the premises during this agreement, or imposed upon the parties or either of them by reason of this agreement.

8. Inspection: Owner reserves the right to inspect the premises at any time as to compliance with law, safety regulations and practices, and the terms of this agreement.

9. Remedies: In case of default in any payment herein provided for to be made by tenant, it shall be lawful for owner to re-enter the premises and to remove all persons therefrom. Tenant hereby covenants, promises and agrees to pay the owner the rents herein provided for at the times and in the manner above provided for, and to be primarily responsible for the rents and covenants herein contained or subsequently agreed upon between the parties, or their assignee, should any portion of the premises herein involved by sublet or assigned to any third party.

10. Mutual Waivers: Owner shall be free from liability to tenant for loss or damage to the building covered by this agreement and all property of tenant on the demised premises caused by fire and "Extended Coverage" hazards, without regard to whether such loss or damage be the result of any act or neglect of owner, its agents or employees. Tenant expressly waives all claims for such loss or damage.

ZID1040110

Tenant shall be free from liability to owner for loss or damage to the building covered by this agreement caused by fire and "Extended Coverage" hazards without regard to whether such loss or damage be the result of any act of neglect of tenant, its agents or employees. Owner expressly waives all claims for such loss or damage.

11. Insurance and Hold Harmless: Tenant agrees to hold owner harmless as to all claims arising out of damage to the property of third parties and bodily injuries to or the death of any person or persons in or about said premises, and to furnish a certificate of insurance on an occurrence basis, including contractual liability, naming the Port of Tacoma as an additional assured with limits of \$100,000/\$300,000 for bodily injuries and \$50,000 for property damage. Such certificate shall provide that there shall be no cancellation of, or failure to renew, such insurance without thirty days' written notice to the Port of Tacoma.

12. Compliance with Laws: Tenant agrees to keep said premises in a clean and safe condition and to comply with all police, sanitary or safety laws and all applicable regulations or ordinances of all governmental bodies having authority over said premises or any part thereof.

13. Improvements: Buildings, other than trade fixtures and equipment placed on the said premises during said tenancy, shall be deemed permanent fixtures and become the property of the Port of Tacoma.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by their proper officers thereunto authorized this 10th day of August, 1974.

OWNER: PORT OF TACOMA

BY: Donald L. Masmen
Its Density General Manager / Chief Engineer

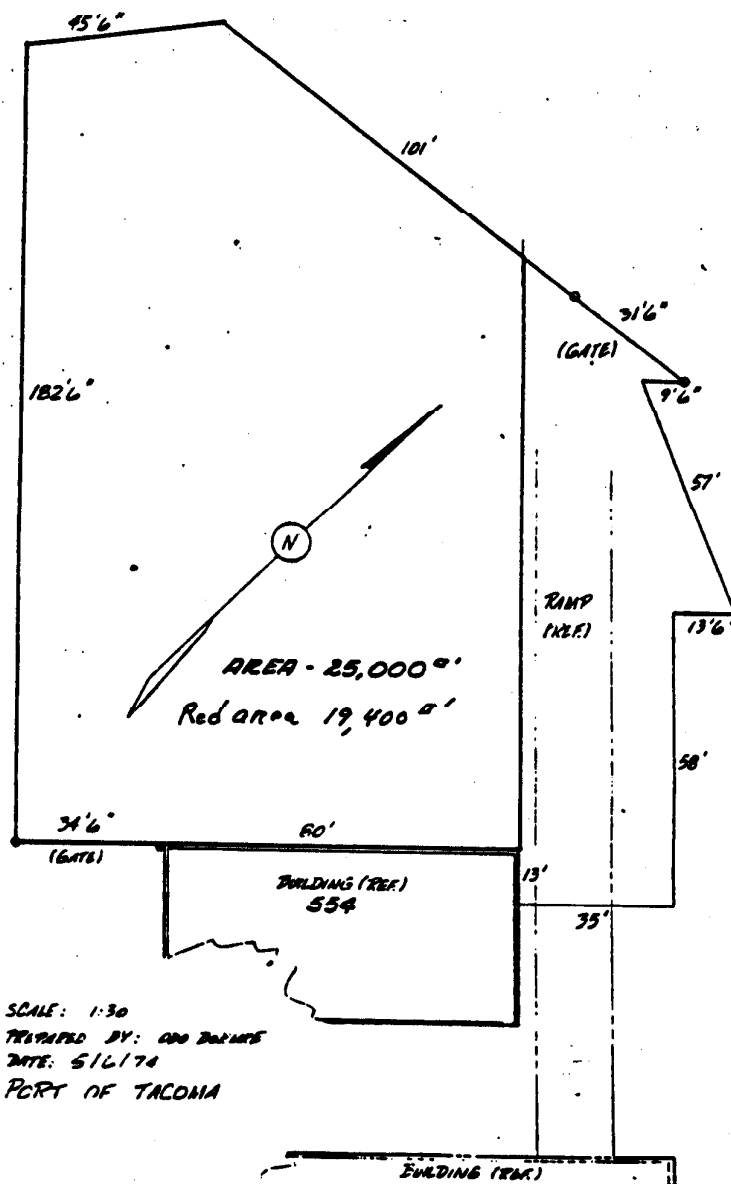
BY: _____
Its _____

TENANT:

BY: Z. D. W. O.
Its _____

BY: VP
Its _____

ZID1040111



SCALE: 1:30
 DRAWING BY: GAO DUMAS
 DATE: 5/6/74
 PORT OF TACOMA

ZID1040112

RENTAL AGREEMENT
PERSONAL PROPERTY

THIS AGREEMENT, made this 10th day of December,
1974, by and between the PORT OF TACOMA, a duly organized Port
District of Pierce County, Washington, the Owner herein, and

ZIDELL DISMANTLING, INC.
401 Alexander Avenue
Tacoma, WA 98421

the tenant herein,

WITNESSETH: The Owner hereby rents to the Tenant the following
described personal property now situated in PORT OF TACOMA INDUSTRIAL
YARD, Tacoma, Washington, to-wit:

Crane #241, Serial # 4522 on Pier 24
in the Port Industrial Yard.

on a month-to-month basis beginning November 1, 1974 at a
rental of Five Hundred and no/100 -----
DOLLARS per month, payable monthly in advance at the office of the Owner.
Owner makes no representation or warranty as to the condition of said
personal property.

The said personal property shall be located and used at

Port Industrial Yard, Pier 24

and shall not be removed therefrom without the written consent of Owner.
Tenant shall return the crane upon the termination of the
tenancy.

The tenant agrees to pay and save the owner harmless from any
tax imposed on the interest of either party in the premises during this
agreement, or imposed upon the parties or either of them by reason of
this agreement.

Tenant shall keep said personal property in good working order and
shall return it to Owner in condition equal to or better than that in which
Tenant received it, less ordinary wear and tear. Owner may inspect the
said personal property at all reasonable times. If upon inspection Owner
finds the equipment inoperative, in poor condition, or in need of repair
Tenant shall make all repairs and replacements necessary for full compliance
herewith, the same to be completed within sixty days after written notice by
Owner. If Tenant does not do so, Owner may have the same done at Tenant's
expense.

Tenant shall provide an "all risk machinery floater" coverage and
shall furnish owner a policy or certificate of insurance showing such coverage
in the sum of not less than \$80,000.00.

ZID1040113

Tenant shall hold Owner harmless as to all injury and/or damage to persons and/or property arising from or connected with the condition or use of said personal property, and shall carry personal injury and property damage insurance on an occurrence basis as to the same with limits of not less than \$100,000/\$300,000 for death or personal injury and \$50,000.00 for property damage, and shall furnish Owner a certificate of insurance evidencing the same and providing that such insurance shall not be reduced or cancelled or be permitted to lapse without thirty days' written notice to the PORT OF TACOMA.

IN WITNESS WHEREOF, the parties have executed this Agreement this 10th day of December, 1974.

Owner: PORT OF TACOMA

By *Ernest L. Perry*
Its General Manager

By _____
Its _____

Tenant:

By *J. R. V.P.*
Its _____

By _____
Its _____

ZID1040114

RENTAL AGREEMENT
PERSONAL PROPERTY

THIS AGREEMENT, made this 5th day of November,
1975, by and between the PORT OF TACOMA, a duly organized Port
District of Pierce County, Washington, the Owner herein, and

ZIDELL DISMANTLING, INC.
401 Alexander Ave.
Tacoma, WA 98421

the tenant herein,

WITNESSETH: The Owner hereby rents to the Tenant the following
described personal property now situated in PORT OF TACOMA INDUSTRIAL
YARD, Tacoma, Washington, to-wit:

Crane # 242, Pier 24 location

on a month-to-month basis beginning November 1, 1975 at a
rental of Five Hundred and no/100 \$500.00 Dollars per month.
DOLLARS per month, payable monthly in advance at the office of the Owner.
Owner makes no representation or warranty as to the condition of said
personal property.

The said personal property shall be located and used at

Pier 24

and shall not be removed therefrom without the written consent of Owner.
Tenant shall return the Crane 242 upon the termination of the
tenancy.

The tenant agrees to pay and save the owner harmless from any
tax imposed on the interest of either party in the premises during this
agreement, or imposed upon the parties or either of them by reason of
this agreement.

Tenant shall keep said personal property in good working order and
shall return it to Owner in condition equal to or better than that in which
Tenant received it, less ordinary wear and tear. Owner may inspect the
said personal property at all reasonable times. If upon inspection Owner
finds the equipment inoperative, in poor condition, or in need of repair
Tenant shall make all repairs and replacements necessary for full compliance
herewith, the same to be completed within sixty days after written notice by
Owner. If Tenant does not do so, Owner may have the same done at Tenant's
expense.

Tenant shall provide an "all risk machinery floater" coverage and
shall furnish owner a policy or certificate of insurance showing such coverage
in the sum of not less than _____.

ZID1040115

Tenant shall hold Owner harmless as to all injury and/or damage to persons and/or property arising from or connected with the condition or use of said personal property, and shall carry personal injury and property damage insurance on an occurrence basis as to the same with limits of not less than \$ 300,000/1,000,000 for death or personal injury and \$ 1,000,000 for property damage, and shall furnish Owner a certificate of insurance evidencing the same and providing that such insurance shall not be reduced or cancelled or be permitted to lapse without thirty days' written notice to the PORT OF TACOMA.

IN WITNESS WHEREOF, the parties have executed this Agreement this 5th day of November, 1975.

Owner: PORT OF TACOMA

By Donald L. Gosman
Its Deputy General Manager

By _____
Its _____

Tenant: ZIDELL DISMANTLING, INC.

By J. Zidell
Its President

By _____
Its _____

200 lbs. 005
200 lbs. 006

ZID1040116

RENTAL SPACE AGREEMENT

THIS AGREEMENT, made this 25th day of May, 1976, by and between the PORT OF TACOMA, a duly organized Port District of Pierce County, Washington, as owner, and

ZIDELL DISMANTLING, INC.
401 Alexander Avenue
Tacoma, WA 98421

as tenant,

WITNESSETH:

1. Premises: The Owner hereby leases to the Tenant, and the Tenant rents from the Owner, subject to the terms and conditions herein contained, the following described area in the Port of Tacoma, Tacoma, Pierce County, Washington:

Shipways #7 and #8, Port Industrial Yard, per Exhibit "A".

2. Term: This agreement shall be on a month-to-month basis commencing January 1, 1976, and may be terminated by either party on thirty (30) days notice given in writing.

3. Rent: Tenant agrees to pay, and owner agrees to accept, the following rental for the premises:

Six Hundred and no/100 (\$600.00) Dollars per month.

Such rental shall be payable monthly in advance.

4. Use: The leased premises shall be used for the following purpose, and no other, except by written consent of the Owner:

Storage of scrap metal.

5. Maintenance: Tenant agrees to accomplish all maintenance on premises except for roofing and exterior repair and painting of improvements.

6. Damage to Premises: The Tenant assumes the responsibility of preventing damage to premises including plumbing in freezing weather in premises held or used, and at his expense repair any damage resulting from such damage.

7. Taxes: The Tenant agrees to pay and save the Owner harmless from any tax imposed on the interest of either party in the premises during this agreement, or imposed upon the parties, or either of them by reason of this agreement.

8. Inspection: Owner reserves the right to inspect the premises at any time as to compliance with law, safety regulations and practices, and the terms of this agreement.

9. Remedies: In case of default in any payment herein provided for to be made by Tenant, it shall be lawful for Owner to reenter the premises and to remove all persons therefrom. Tenant hereby covenants, promises and agrees to pay the Owner the rents herein provided for at the times and in the manner above provided for, and to be primarily responsible for the rents and covenants herein contained or subsequently agreed upon between the parties, or their assignee, should any portion of the premises herein involved by sublet or assigned to any third party.

10. Mutual Waivers: Owner shall be free from liability to Tenant for loss or damage to the building covered by this agreement and all property of Tenant on the demised premises caused by fire and "Extended Coverage" hazards, without regard to whether such loss or damage be the result of any act or neglect of Owner, its agents or employees. Tenant expressly waives all claims for such loss or damage.

Tenant shall be free from liability to Owner for loss or damage to the building covered by this agreement caused by fire and "Extended Coverage" hazards without regard to whether such loss or damage be the result of any act or neglect of Tenant, its agents or employees. Owner expressly waives all claims for such loss or damage.

ZID1040117

11. Insurance and Hold Harmless: Tenant agrees to hold Owner harmless as to all claims arising out of damage to the property of third parties and bodily injuries to or the death of any person or persons in or about said premises, and to furnish a certificate of insurance on an occurrence basis, including contractual liability, naming the Port of Tacoma as an additional assured with limits of \$300,000/\$1,000,000 for bodily injuries and \$1,000,000 for property damage. Such certificate shall provide that there shall be no cancellation of, or failure to renew, such insurance without thirty (30) days' written notice to the Port of Tacoma.

12. Compliance with Laws: Tenant agrees to keep said premises in a clean and safe condition and to comply with all police, sanitary or safety laws and all applicable regulations or ordinances of all governmental bodies having authority over said premises or any part thereof.

13. Improvements: Tenant has inspected the property and rents premises in an "as is" condition. Improvements other than trade fixtures and equipment placed on the said premises during said tenancy shall be deemed permanent fixtures and become the property of the Port of Tacoma.

~~14. Utilities: Tenant shall be responsible for the cost of all utilities. If the utilities are installed or provided with other tenants where one meter serves several tenants, the minimum charge shall be \$5.00 per meter per month and \$2.50 per meter per month or any part thereof.~~

15. Legal Action: In the event that Owner is compelled to bring legal action to enforce any provision of this agreement, or of any addendum supplementary thereto, Tenant agrees to pay to Owner a reasonable attorneys' fee therefore together with its taxable costs and disbursements therein.

16. Assignments and Subleases: The Tenant shall not, except by prior written consent of the Owner, assign this lease or sublease any portions of the premises.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by their proper officers thereunto authorized this 25th day of May 1976.

OWNER: PORT OF TACOMA

BY: Richard Dale Smith
Its: General Manager

BY: _____
Its: _____

TENANT: ZIDELL DISMANTLING INC.

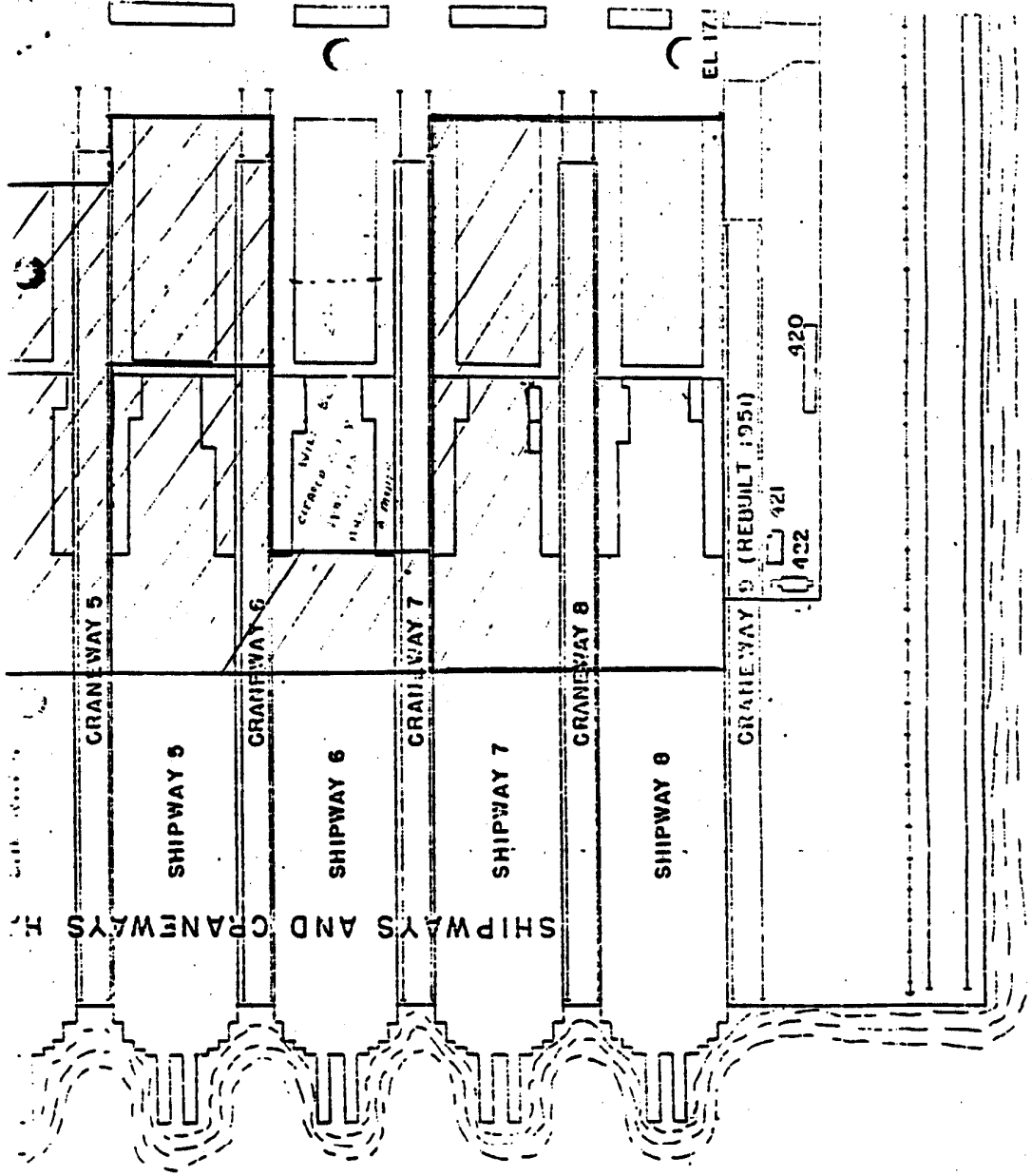
BY: [Signature]
Its: J. P.

BY: _____
Its: _____

STC 680
2/15/77

THE PORT OF TACOMA IS AN
EQUAL OPPORTUNITY EMPLOYER
MALE & FEMALE

ZID1040118



ZID1040119

LEASE

1 THIS LEASE, entered into this 9th day of July 1981,
2 between the Port of Tacoma, as Lessor, and ZIDELL MARINE
3 CORPORATION, as Lessee,

4 WITNESSETH:

5 1. Premises: Lessor hereby leases to Lessee, and Lessee
6 rents from Lessor, subject to the terms and conditions herein,
7 the following described real and personal property situated
8 at Tacoma, Pierce County, Washington:

9 PARCEL 1: 5.16 acres of land, as more particularly
10 described on Exhibit "A" annexed hereto.

11 PARCEL 2: Building 592, Port of Tacoma Industrial
12 Yard, consisting of 64,000 square feet of floor
13 space, as delineated on Exhibit "B".

14 PARCEL 3: Berths C and D, Pier 25, Port of Tacoma,
15 consisting of 1200 lineal feet, for use pursuant
16 to Moorage Use "A", as shown on Lessor's current
17 schedule of moorage and launching rates for the
18 Port of Tacoma Industrial Yard.

19 PARCEL 4: 106,700 square feet of water area,
20 legally described and delineated on Exhibits "A" & "B".

21 PARCEL 5: Clyde Whirley Crane # 12, Serial
22 No. 3337, Navy No. 000264.

23 PARCEL 6: Clyde Whirley Crane # 13, Serial
24 No. 3338, Navy No. 000261.

25 PARCEL 7: Clyde Whirley Crane # 6, Serial
26 No. 3332, Navy No. 000258.

27 2. Term: The term of this lease shall be ten years,
28 commencing on July 1st 1981, and terminating on June 30th, 1991.

29 3. Rental: Lessee agrees to pay, and Lessor agrees to
30 accept, monthly rental for the demised premises as follows:

Parcel 1:	\$4,495.00
Parcel 2:	4,445.00
Parcel 3:	3,000.00
Parcel 4:	890.00
Parcel 5:	875.00

1 Parcel 6: \$875.00
2 Parcel 7: 650.00
3 Total \$15,230.00

4 Such rentals shall be adjusted on the fourth and seventh anni-
5 versary dates of this lease to reflect the then reasonable rental
6 value of the leased real and personal property. If the parties
7 are unable to agree on such reasonable rental value they shall
8 each appoint an arbitrator and the two arbitrators so appointed
9 shall agree to be bound by the decision of a majority of such
10 three persons.

11 On the first, second, third, fifth, sixth, eighth and ninth
12 anniversary dates of this lease such rentals, except as to Parcel
13 3, shall be adjusted by a percentage of change ~~to be~~ ^{98 1/2%} equal to
14 the percentage of change in the Consumer Price Index For All
15 Urban Consumers (CPI-U) as of the immediately preceding April,
16 over such Index as of April of the year prior thereto. The
17 rental of Parcel 3 shall be adjusted to correspond with the
18 Lessor's schedule of moorage rates in the Port of Tacoma
19 Industrial Yard whenever such schedule shall change.

20 4. Use: The leased premises shall be used for repair
21 and construction of vessels, and for uses incidental thereto.
22 No other use shall be made of the premises except with the
23 written consent of the Lessor.

24 5. Access: Lessee shall have access to public roads
25 over existing rail and road rights-of-way to the premises.

26 6. Launching Facility: Lessor agrees that it will, for a
27 reasonable charge based on Lessor's schedule of rates, make
28 available to Lessee ship launching facilities in the Port of
29 Tacoma Industrial Yard suitable for launching vessels constructed
30 by Lessee.

1	Parcel 6:	\$875.00
2	Parcel 7:	<u>650.00</u>
3	Total	\$15,230.00

4 Such rentals shall be adjusted on the fourth and seventh anni-
5 versary dates of this lease to reflect the then reasonable rental
6 value of the leased real and personal property. If the parties
7 are unable to agree on such reasonable rental value they shall
8 each appoint an arbitrator and the two arbitrators so appointed
9 shall agree to be bound by the decision of a majority of such
10 three persons.

11 On the first, second, third, fifth, sixth, eighth and ninth
12 anniversary dates of this lease such rentals, except as to Parcel
13 3, shall be adjusted by a percentage of change ~~increase~~ equal to ^{CFI}
14 the percentage of change in the Consumer Price Index For All
15 Urban Consumers (CPI-U) as of the immediately preceding April,
16 over such Index as of April of the year prior thereto. The
17 rental of Parcel 3 shall be adjusted to correspond with the
18 Lessor's schedule of moorage rates in the Port of Tacoma
19 Industrial Yard whenever such schedule shall change.

20 4. Use: The leased premises shall be used for repair
21 and construction of vessels, and for uses incidental thereto.
22 No other use shall be made of the premises except with the
23 written consent of the Lessor.

24 5. Access: Lessee shall have access to public roads
25 over existing rail and road rights-of-way to the premises.

26 6. Launching Facility: Lessor agrees that it will, for a
27 reasonable charge based on Lessor's schedule of rates, make
28 available to Lessee ship launching facilities in the Port of
29 Tacoma Industrial Yard suitable for launching vessels constructed
30 by Lessee.

LEASE - 2

ZID1040122

1 7. Maintenance: Lessee shall at all times at its sole
2 cost and expense keep the buildings and other improvements
3 situated on the premises in good repair and condition, and
4 shall promptly make all repairs, renewals and replacements
5 necessary to maintain the facilities in operating condition
6 during the term hereof. Lessee agrees to protect plumbing
7 and wiring against reasonably foreseeable damage caused by
8 freezing or other weather conditions. If Lessee should fail
9 or neglect to commence to make such repairs, renewals or replace-
10 ments within thirty (30) days following receipt of written
11 notice from Lessor or should fail or neglect to prosecute the
12 completion of such repairs, renewals or replacements with
13 reasonable diligence, Lessor may make such repairs, renewals
14 or replacements as may be necessary and Lessee shall be liable
15 to Lessor for the cost thereof.

16 Lessor agrees to maintain and repair building structures
17 to include roof, outside walls (exclusive of windows and doors),
18 foundation, exterior utilities and drainage. Lessor will be
19 reimbursed for all repair costs should damage result from
20 Lessee's activities.

21 Lessor agrees to maintain and repair the Pier 25 structure
22 in the leased premises to include decking, rails, cavils,
23 piling and Lessor-installed utilities. Lessor will be reimbursed
24 for all repair costs should damage result from Lessor activities.

25 8. Condition of Real Property: Lessee has inspected the
26 premises, is aware of their condition and accepts them as they
27 are. The premises have been leased continuously by Lessee
28 over ten years and damages to the premises which are unknown
29 at the start of this lease may show up during the term of the
30 lease and that Lessor does not agree to accept responsibility

LEASE - 3

ZID1040123

1 for repair of these hidden faults.

2 9. Condition of Personal Property: Lessee has inspected
3 the cranes, is familiar with their condition; and accepts
4 them as they are. Lessee agrees to return the cranes to Lessor
5 at the termination of the lease in the same condition as
6 received, less ordinary wear and tear; except as herein other-
7 wise provided. Lessee will at all times during the term
8 hereof keep the cranes properly maintained, and certified by
9 the State of Washington and furnish a copy of such certification
10 to Lessor. The cranes identified as lease Parcels 5, 6 and 7
11 have been in the possession and used by Lessee for at least
12 seven years. They are agreed to be operational and are presently
13 certified by the State of Washington. Lessee is familiar with
14 their condition and agrees to continue their use.

15 10. Crane Safety: Lessee agrees to operate and maintain
16 said cranes at all times in compliance with all laws, ordinances
17 and regulations of public bodies having jurisdiction thereover.
18 Lessor reserves the rights to inspect the cranes at any time
19 to insure compliance therewith. Lessor will make an initial
20 crane inspection within sixty (60) days of commencement date
21 of this lease and every six (6) months thereafter during the
22 term of this lease. Lessor will provide to Lessee within
23 five (5) days after such inspection a report of repairs required
24 to maintain the cranes in a safe, functional and operating
25 condition. Lessee will within five (5) days after receipt of
26 such report advise Lessor of intent to repair and the date for
27 re-inspection of repairs accomplished. If Lessee shall fail or
28 neglect to commence to make such repairs, renewals, or replace-
29 ments which are deemed critical safety deficiencies within
30 thirty (30) days following receipt of written notice from

LEASE - 4

ZID1040124

1 Lessor, Lessor may make such repairs, renewals or replacements
2 as may be necessary and Lessee shall be liable to Lessor for
3 such cost thereof.

4 11. Loss or Damage to Cranes: Lessee agrees that it
5 will at all times during the term hereof maintain in effect
6 an "all risk" equipment floater insurance policy or policies,
7 in an amount of not less than \$288,000.00 covering loss or
8 damage to the cranes and naming Lessor as an additional insured
9 thereon.

10 12. Oil Storage: Lessor retains the right to store
11 reserve fuel oil in underground permanent oil storage tanks
12 located on the leased premises. Storage of this oil will not
13 interfere with Lessee's operations on the leased premises
14 nor will Lessee in any way be liable for Lessor's storage.

15 13. Use of Building 596: Lessee agrees that as long as
16 Building 596 located within the leased premises is not leased
17 by Lessee that Lessor shall have access rights for its use
18 or another tenant's use of this building.

19 14. Alterations and Improvements: Lessee will make no
20 alterations, additions or improvements in or to the demised
21 premises without written approval of Lessor's Chief Engineer,
22 but such approval will not be unreasonably withheld.

23 All improvements to the premises will be in compliance
24 with building codes and other ordinances. At the termination
25 of the lease all improvements shall, at the Lessor's election,
26 be removed from the premises by Lessee or shall (excluding
27 trade fixtures) remain in place and become the property of
28 the Lessor.

29 All trade fixtures including, but not limited to, shelving,
30 portable partitions and cabinets, shall remain the property

1 of the Lessee and may be removed on or before the termination
2 of the lease or any renewal thereof without Lessor's consent
3 or knowledge. If not removed by Lessee such items shall
4 become the property of the Lessor upon expiration of the lease
5 or renewal thereof.

6 15. Destruction: If the major leased structures on
7 said premises are damaged by fire, explosion, or other casualty
8 that cannot be repaired within thirty (30) days, either party
9 may immediately cancel this lease, in which case the liability
10 of the parties to each other shall be fixed as of the time
11 of the casualty.

12 16. Termination: Lessor may terminate this lease on
13 one year's notice for terminal development after the fifth
14 anniversary date of this lease. Lessee may terminate on one
15 year's written notice at any time.

16 17. Inspection: Lessor's representatives shall have
17 the right to enter and inspect the premises at any reasonable
18 time during business hours, for the purpose of ascertaining
19 the condition thereof.

20 18. Utility Charges: Lessee shall pay all charges
21 incurred by Lessee for any utility services and rodent control
22 used on the premises, including charges for the initial
23 installation.

24 19. Taxes: Lessee agrees to pay and to save Lessor
25 harmless from any tax imposed on the interest of either party
26 in the premises or either of them by reason of this lease.

27 20. Assignments and Subleases: Lessee may not assign
28 any right hereunder or sublet any portion of the leased premises
29 except with the written permission of Lessor. Such permission
30 shall not be unreasonably withheld.

LEASE - 6

ZID1040126

1 21. Hold Harmless and Indemnity: Lessor agrees to hold
2 Lessee harmless for loss or damage to the demised premises and
3 all property of the Lessor thereon, caused by fire and "Extended
4 Coverage", sprinkler leakage, vandalism and malicious mischief
5 hazards, without regard to whether such loss or damage be the
6 result of any act or neglect of Lessee, its' agents or employees.
7 Lessor expressly waives all claims for such loss or damage.
8 Lessee shall hold Lessor harmless and free from liability for
9 loss or damage to all property of Lessee on the demised premises
10 caused by fire and "Extended Coverage", sprinkler leakage,
11 vandalism and malicious mischief hazards, without regard to
12 whether such loss or damage be the result of any act or neglect
13 of Lessor, its' agents or employees. Lessee expressly waives
14 all claims for such loss or damage.

15 Lessee agrees to hold Lessor harmless as to all claims
16 arising out of damage to the property of third parties and
17 bodily injuries to or the death of any person or persons in
18 or about the leased premises arising out of Lessee's use of
19 the leased premises. Lessee agrees to furnish certificates
20 of insurance to be not less than a level limit of \$300,000/
21 \$1,000,000. for bodily injury and death and \$1,000,000. for
22 property damage. Such certificates shall provide that there
23 shall be no reduction or cancellation of, or failure to renew
24 such insurance without thirty (30) days' written notice to
25 Lessor.

26 22. Default: The following events shall be deemed to be
27 events of default by Lessee under this lease:

28 a) Lessee shall fail to pay any installment of
29 the rent or charges under paragraph 3 above
30 and such failure shall continue for a period
of fifteen (15) days after receipt by Lessee
of written notice of such failure.

LEASE - 7

ZID1040127

1 b) Lessee shall fail to comply with any term,
2 provision or covenant of this lease, other
3 than the payment of rent, and shall not
4 commence to cure such failure within thirty
5 (30) days after receipt of written notice
6 thereof to Lessee or shall fail or neglect
7 to prosecute the completion of what may be
8 necessary to effect such cure with reason-
9 able diligence.

6 c) Lessee shall become insolvent, or shall make
7 a transfer in fraud of creditors, or shall
8 make an assignment for the benefit of credit-
9 ors, or shall file a petition in bankruptcy
10 under any section of the Bankruptcy Laws.

9 Upon the occurrence of any of such events of default, Lessor
10 shall have the option, without any further notice or demand,
11 to terminate this lease, or relet the premises and receive the
12 rent therefor, in which event Lessee shall immediately
13 surrender the premises to Lessor, and Lessee agrees to pay
14 to Lessor on demand the amount of all loss and damage which
15 Lessor may suffer by reason of such termination or subletting.

16 A late charge of 1% per month will be added to all rent
17 not paid on the date it is due. This charge shall be in
18 addition to the other remedies of Lessor provided in this
19 lease or by law.

20 23. Bond: Lessee agrees that it will, at all times
21 during the term of this lease, maintain in effect a bond or
22 other security acceptable to Lessor, which shall be on file
23 with Lessor at all such times, in the penalty amount of
24 \$182,760.00. Such bond or other security shall be conditioned
25 to perform all of the conditions of this lease, and the amount
26 thereof shall be adjusted to reflect rental adjustments or
27 other changes affecting the value or term of this lease. Such
28 changes shall be incorporated into such penalty amount and
29 filed with Lessor at least thirty (30) days prior to the
30 commencement date of the lease change.

1 24. Observance of Laws and Regulations: Lessee agrees
2 to keep the demised premises in a clean and safe condition and
3 to comply with all police, sanitary and safety laws, and all
4 applicable regulations and ordinances of all governmental
5 bodies having authority over the demised premises or any
6 activity conducted thereon, and to hold Lessor harmless
7 against all costs, fees, fines or damages which it may be
8 caused to incur by reason of any charge that there has been
9 a violation thereof.

10 25. Successors in Interest: The terms, provisions,
11 covenants, and conditions contained in this lease, shall apply
12 to, inure to the benefit of, and be binding upon the parties
13 hereto and upon their respective successors in interest and
14 legal representatives except as otherwise herein expressly
15 provided.

16 26. Attorneys' Fees: If either party to this lease
17 brings an action before any Court to enforce any provision of
18 this lease, a reasonable attorneys' fee shall be awarded to
19 the prevailing party in such litigation.

20 27. Notices: All notices required under this lease may
21 be given by certified or registered mail at the following
22 addresses:

23 LESSOR: PORT OF TACOMA
24 P.O. Box 1837
25 Tacoma, Washington 98401

26 LESSEE: ZIDELL MARINE CORPORATION
27 401 Alexander Avenue, Bldg. 592
28 Tacoma, Washington 98421

29 IN WITNESS WHEREOF, the parties hereto have caused this
30 lease to be executed by their proper officers thereto authorized

LEASE - 9

ZID1040129

1 this 9th day of July, 1981.
2
3

PORT OF TACOMA

4 By: [Signature]
Its President

5
6 By: [Signature]
Its Secretary

7
8 ZIDELL MARINE CORPORATION

9 By: [Signature]
Its President

10 By: [Signature]
Its Secretary
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LEASE - 10

ZID1040130

1 STATE OF WASHINGTON)
2 County of Pierce) ss.

3 On this 9th day of July 1981, personally
4 appeared before me the undersigned, a Notary Public, in and
5 for the State of Washington, duly commissioned and sworn,
6 R. G. EARLEY and JACK A. FABULICH, to me known to be the
7 President and Secretary of the Port of Tacoma, a municipal
8 corporation, that executed the foregoing instrument and ack-
9 knowledged the said instrument to be the free and voluntary
10 act and deed of said corporation, for the uses and purposes
11 therein mentioned, and on oath stated that they are authorized
12 to execute the said instrument and that the seal affixed is
13 the corporate seal of said municipal corporation.

14 WITNESS MY HAND AND OFFICIAL SEAL hereto affixed the
15 day and year first above written.

16 *Sharon J. Starn*
17 NOTARY PUBLIC in and for the State
18 of Washington, residing at Tacoma
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22 APPROVED AS TO FORM:

23 *James J. O'Brien*
24 Counsel for Port of Tacoma
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LEASE - 11

ZID1040131

July 28, 1980

REVISED ZIDELL LEASE - PORT INDUSTRIAL YARD

Beginning on the northeasterly line of Block 1 of Ashton's replat of Blocks 13-48 of Tacoma Tidelands at a point on said line 500 ft. northwesterly from the easterly corner of said Block 1, said point being on the southerly pierhead line of Hylebos Waterway and also being the easterly property corner of a parcel of land conveyed to the Port of Tacoma from the United State of America as recorded under Auditor's Fee No. 1876397; thence S 44° 05' 45" W and parallel with the southeasterly line of said Block 1 a distance of 440.0 ft; thence N 45° 49' 58" W a distance of 225.0 ft; thence N 44° 05' 45" E a distance of 90.86 ft; thence N 45° 49' 58" W a distance of 219.39 ft; thence N 31° 41' 01" W a distance of 167.82 ft; thence N 49° 44' 18" W a distance of 254.62 ft; thence N 44° 06' 23" E a distance of 213.12 ft; thence N 45° 29' 07" W a distance of 19.26 ft; thence N 44° 09' 51" E a distance of 11.46 ft; thence N 45° 50' 03" W a distance of 284.97 ft; thence N 44° 04' 59" E a distance of 49.05 ft; thence N 45° 55' 01" W a distance of 34.69 ft; thence N 44° 04' 59" E a distance of 50.00 ft. to a point on the southerly pierhead line of Hylebos Waterway; thence S 45° 55' 01" E along said pierhead line a distance of 1200 ft. to the true point of beginning.

Containing: 7.80 total acres

5.55 land acres
2.45 dock area

EXCEPTION: LAND OCCUPIED BY
BUILDING 596 & parking .19 Ac.

5.35 land acres
.19

5.16 acres lease area

Prepared by WEC

Checked by WEC

Approved by WEC

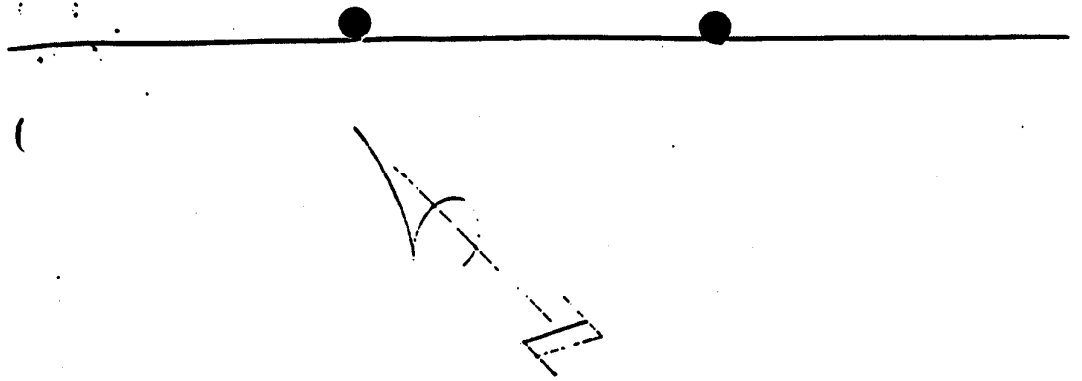
Dated 7/30/80

ZID1040132

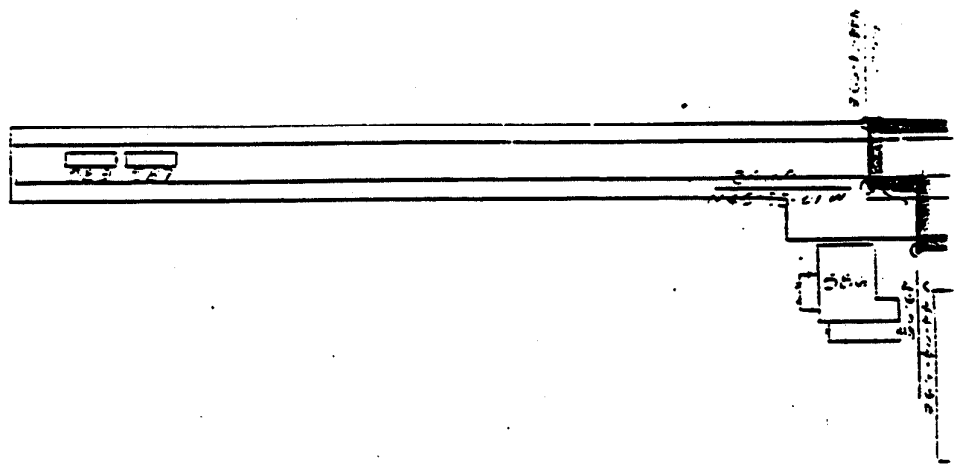
ZID1040133

DRAWN <i>LWK</i>		PORT OF TACOMA 1 CRT INDUSTRIAL YARD LEASE EXHIBIT "B" ZIDELL MARINE CORP	
DATE <i>1-4-82</i>			
CHECKED <i>ECB</i>			
DATE <i>1-5-82</i>			
CHECKED _____		CONT. NO. _____	
DATE _____		FIELD BOOK IS: _____	
APPROVED _____		SCALE <i>1"=10'-0"</i>	
DATE <i>1-1-82</i>		DRAWING NO. _____	
SHEET _____ OF _____		CP 3057-12	

MARK <i>Δ</i>	REVISION <i>APPROX 20,445 sq ft</i>	BY <i>DWK</i>	APP. _____	DATE <i>1-5-82</i>
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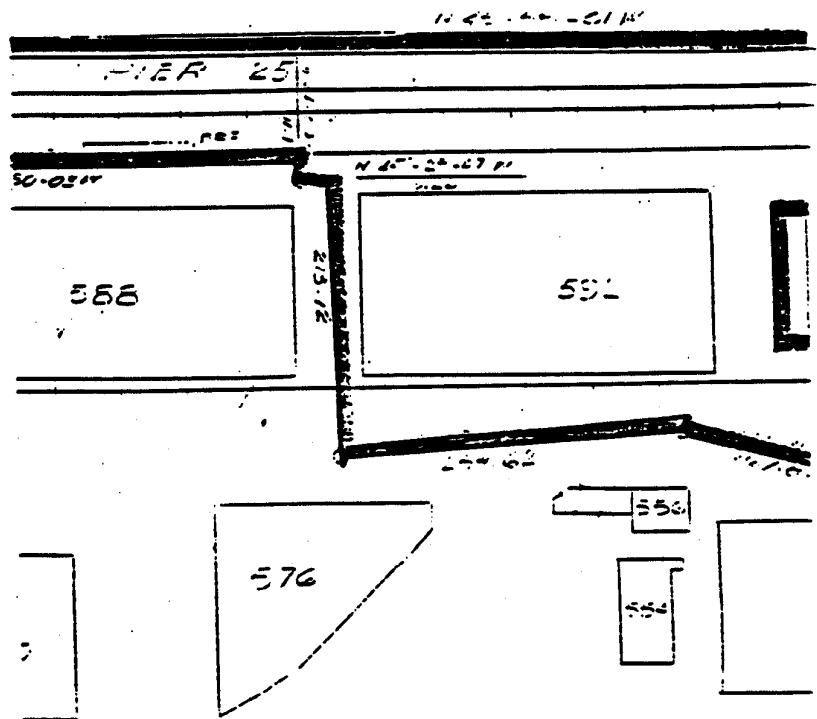


HYLECO

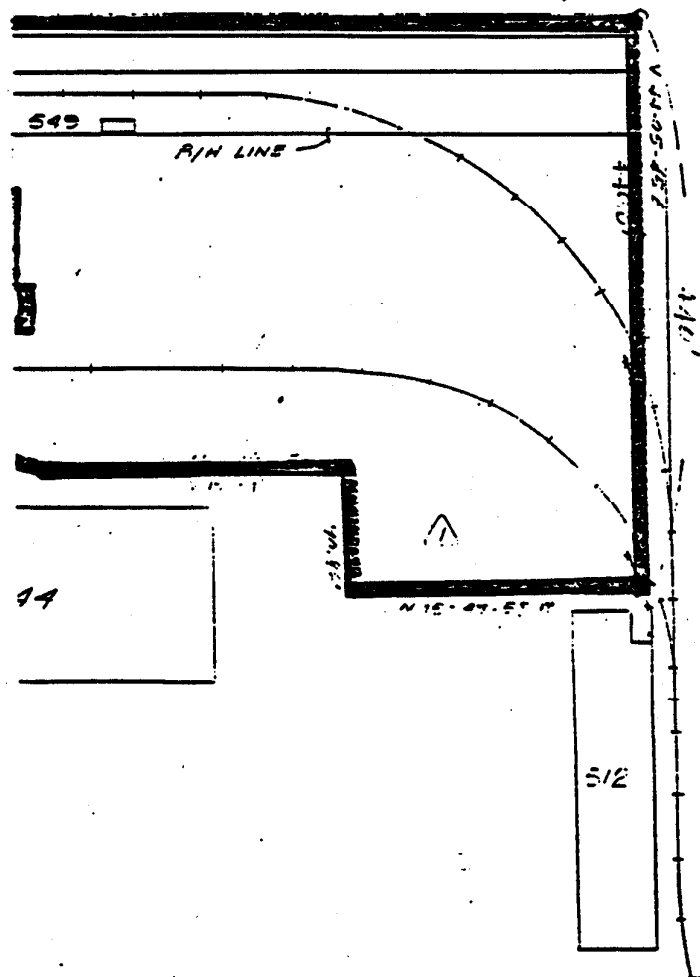


ZID1040134

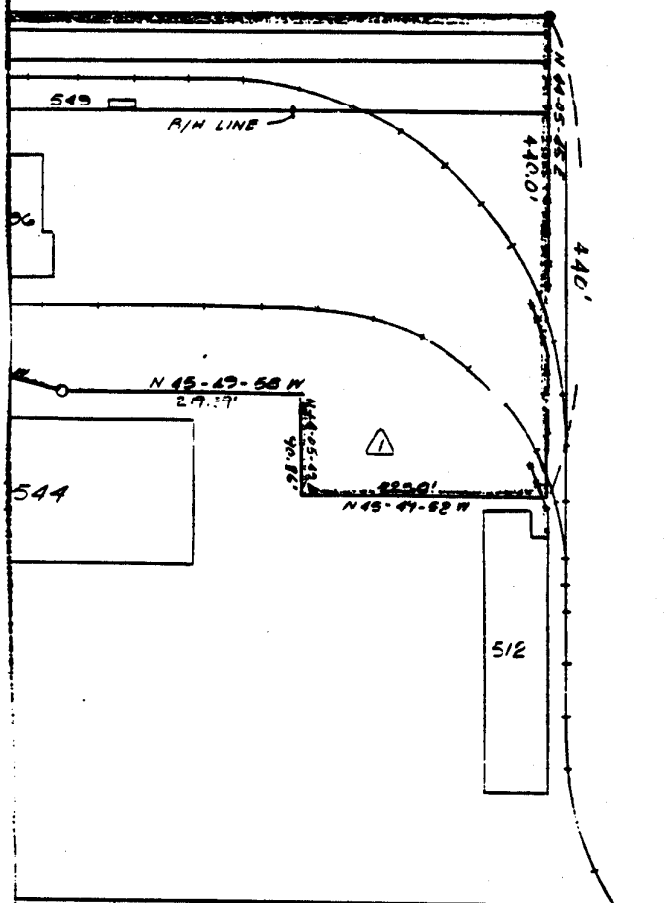
RAILWAY



ZID1040135



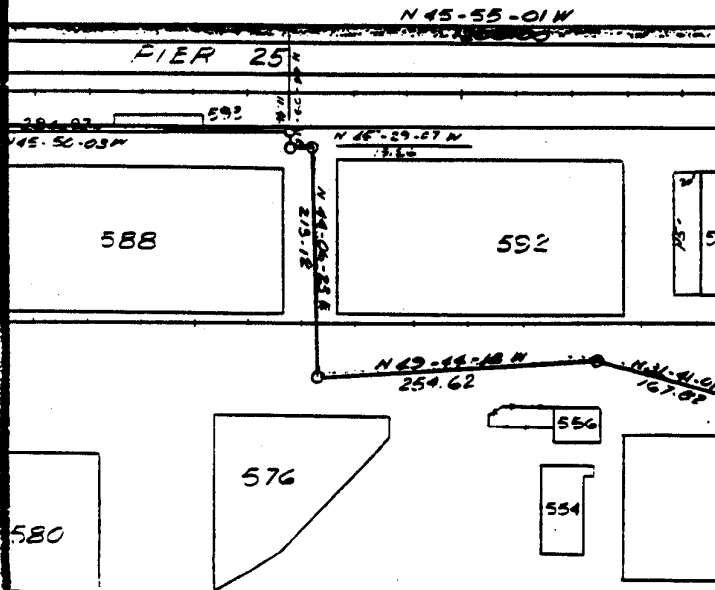
ZID1040136



D.M.		PORT OF TACOMA PORT INDUSTRIAL YARD LEASE EXHIBIT "B" ZIDELL MARINE CORP.	
- 1.00			
RECD.			
10.00			
10.00			
D.M.		SCALE 1"=100'-0"	
1.4.80		DRAWING NO.	
DATE		CP 3637-12	
R. L. MacLeod		SHEET 01	

ZID1040137

WATERWAY



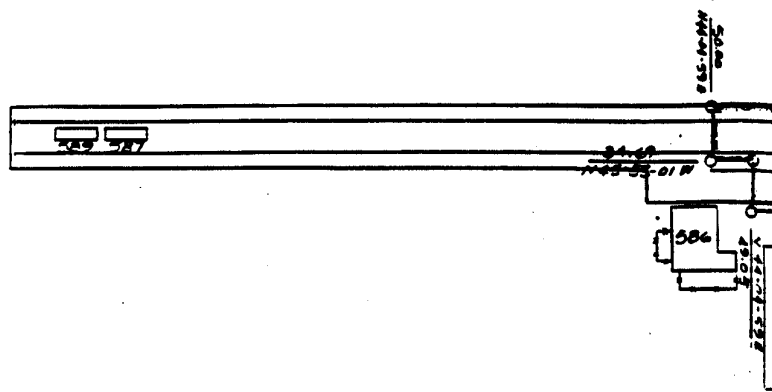
MARK	REVISION	BY	APP.	DATE
△	ADDED 20,743.5'	D.M.		7-20-00

DRAWN
DATE
CHECKED
DATE
CHECKED
DATE
CONT. 1
FIELD 2
APPROV

ZID1040138



HYLEBO



ZID1040139

FIRST ADDENDUM TO LEASE

THIS FIRST ADDENDUM to that certain lease entered into on July 9th 1981, between the Port of Tacoma, as Lessor, and ZIDELL MARINE CORPORATION, as Lessee,

WITNESSETH:

1. Hold Harmless and Indemnity: The Lessor, pursuant to paragraph 12 of said lease, retains the right to store reserve fuel oil in underground permanent oil storage tanks located on the leased premises. For valuable consideration, receipt of which is hereby acknowledged, Lessor agrees to defend and save Lessee harmless against any claim for property damage, death or personal injury arising from or caused by the storage of fuel by Lessor pursuant to said paragraph.

2. Effective Date: This first addendum shall be effective on execution hereof.

3. Savings Clause: Except as herein modified said lease will remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this First Addendum to be executed by their proper officers thereto authorized this 6th day of August, 1981.

PORT OF TACOMA

By: Richard D. Smith
Its Executive Director

ZIDELL MARINE CORPORATION

By: James Zidell
Its President

1 STATE OF WASHINGTON)
2 County of Pierce) ss.

3 On this 6th day of August 1981, personally
4 appeared before me the undersigned, a Notary Public, in and
5 for the State of Washington, duly commissioned and sworn,
6 RICHARD DALE SMITH, to me known to be the Executive Director
7 of the Port of Tacoma, a municipal corporation, that executed
8 the foregoing instrument and acknowledged the said instrument
9 to be the free and voluntary act and deed of said corporation,
10 for the uses and purposes therein mentioned, and on oath
11 stated that he is authorized to execute the said instrument
12 and that the seal affixed is the corporate seal of said
13 municipal corporation.

14 WITNESS MY HAND AND OFFICIAL SEAL hereto affixed the
15 day and year first above written.

16 *Sharon J. Smith*
17 NOTARY PUBLIC in and for the State
18 of Washington, residing at Tacoma
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FIRST ADDENDUM - 2

ZID1040141

SECOND ADDENDUM TO LEASE

THIS SECOND ADDENDUM to that certain lease entered into on July 9th 1981, between the Port of Tacoma, as Lessor, and ZIDELL MARINE CORPORATION, as Lessee, as modified by the First Addendum thereto dated August 6th, 1981:

WITNESSETH:

1. Premises: Paragraph 1 of said lease is modified by deleting therefrom the following language:

"Parcel 1: 5.16 acres of land, as more particularly described on Exhibit "A" annexed hereto."

and by substituting therefor the following language:

"Parcel 1: 4.92 acres of land, as more particularly described on Exhibit 'A-1' annexed hereto."

Paragraph 1 of said lease is further modified by deleting therefrom the following language:

"Parcel 2: Building 592, Port of Tacoma Industrial Yard, consisting of 64,000 square feet of floor space, as delineated on Exhibit "B"."

and by substituting therefor the following language:

"Parcel 2: 47,200 square feet of floor space in Building 592, Port of Tacoma Industrial Yard, as delineated on Exhibit 'B-1' annexed hereto."

Paragraph 1 of said lease is further modified by adding thereto the following language:

"Parcel 8: Building 596, Port of Tacoma Industrial Yard, consisting of 5,900 square feet as delineated on Exhibit 'C' annexed hereto."

2. Rental: Paragraph 3 of said lease is modified by substituting the figure "\$4,286.00" per month for the figure "\$4,495.00" per month as the rental for Parcel 1, by substituting the figure "\$3,100.00" per month for the figure "\$4,445.00" per month as the rental for Parcel 2, and by adding the the figure "\$557.00 per month as the rental for Parcel 8".

3. Bond: Paragraph 23 of said lease is modified by

1 deleting therefrom the figure "\$182,760.00" and substituting
2 therefor the figure "\$170,796.00".

3 4. Savings Clause: Except as herein modified, said
4 Lease and First Addendum shall remain in full force and effect.

5 5. Effective Date: This Second Addendum shall be
6 effective on November 1st, 1981.

7 IN WITNESS WHEREOF, the parties hereto have caused this
8 Second Addendum to be executed by their proper officers thereto
9 authorized this 5th day of November, 1981.

10
11 PORT OF TACOMA

12 By: [Signature]
13 Its President

14 By: [Signature]
15 Its Secretary

16 ZIDELL MARINE CORPORATION

17 By: [Signature]
18 Its President

19 By: [Signature]
20 Its Secretary

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SECOND ADDENDUM - 2

ZID1040143

1 STATE OF WASHINGTON)
2 County of Pierce) ss.

3 On this 5th day of November 1981, personally
4 appeared before me the undersigned, a Notary Public, in and
5 for the State of Washington, duly commissioned and sworn,
6 R. G. EARLEY and JACK A. FARULICH, to me known to be the
7 President and Secretary of the Port of Tacoma, a municipal
8 corporation, that executed the foregoing instrument and ack-
9 knowledged the said instrument to be the free and voluntary
10 act and deed of said corporation, for the uses and purposes
11 therein mentioned, and on oath stated that they are authorized
12 to execute the said instrument and that the seal affixed is
13 the corporate seal of said municipal corporation.

14 WITNESS MY HAND AND OFFICIAL SEAL hereto affixed the
15 day and year first above written.

16 Sharon Y. Stark
17 NOTARY PUBLIC in and for the State
18 of Washington, residing at Tacoma

19 ATTENDED AS TO FORM:

20 Counsel for Port of Tacoma

October 21, 1981

REVISED ZIDELL LEASE - PORT INDUSTRIAL YARD

Beginning on the northeasterly line of Block 1 of Ashton's Replat of Blocks 13-48 of Tacoma Tidelands at a point on said line 500 ft. northwesterly from the easterly corner of said Block 1, said point being on the southerly pierhead line of Hylebos Waterway and also being the easterly property corner of a parcel of land conveyed to the Port of Tacoma from the United State of America as recorded under Auditor's Fee No. 1876397; thence S 44° 05' 45" W and parallel with the southeasterly line of said Block 1 a distance of 440.0 ft; thence N 45° 49' 58" W a distance of 225.0 ft; thence N 44° 05' 45" E a distance of 90.86 ft; thence N 45° 49' 58" W a distance of 219.39 ft; thence N 31° 41' 01" W a distance of 167.82 ft; thence N 49° 44' 18" W a distance of 254.62 ft; thence N 44° 04' 59" E a distance of 93.12 ft; thence S 45° 55' 01" E a distance of 156.00 ft; thence N 44° 04' 59" E a distance of 120.00 ft; thence N 45° 55' 01" W a distance of 175.15 ft; thence N 44° 04' 59" E a distance of 11.60 ft; thence N 45° 50' 03" W a distance of 284.97 ft; thence N 44° 04' 59" E a distance of 49.05 ft; thence N 45° 55' 01" W a distance of 34.69 ft; thence N 44° 04' 59" E a distance of 50.00 ft. to a point on the southerly pierhead line of Hylebos Waterway; thence S 45° 55' 01" E along said pierhead line a distance of 1200. ft. to the true point of beginning.

Containing: 4.92 land acres
2.45 dock area
7.37 total acres

Prepared by DE

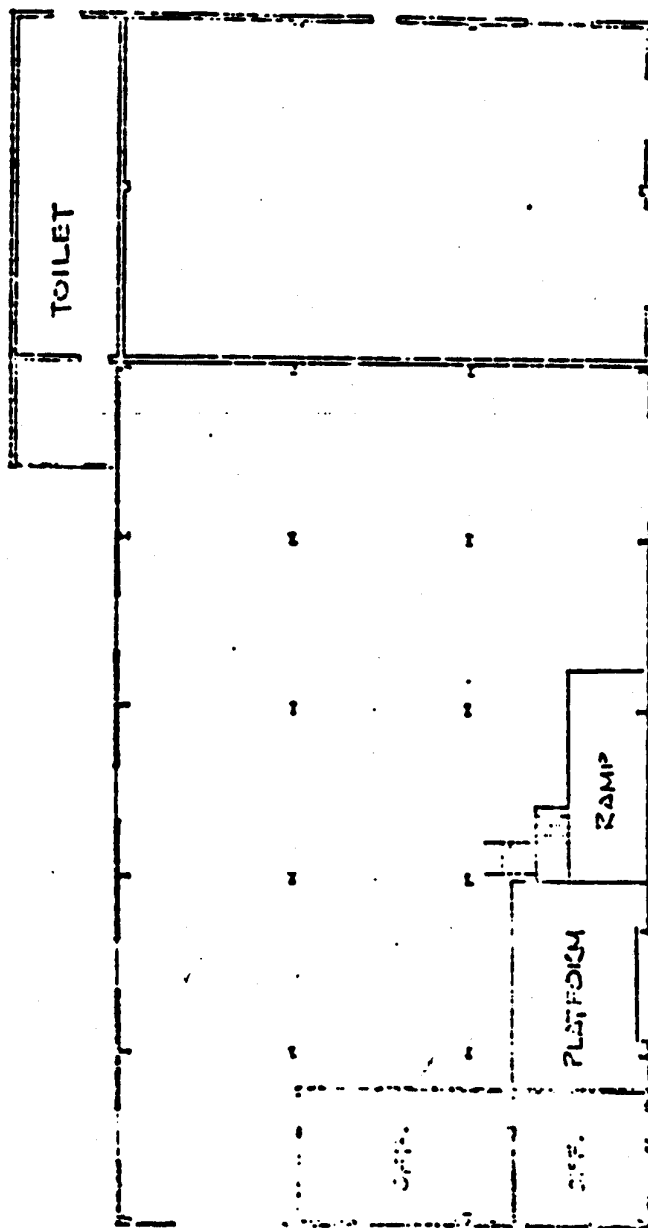
Checked by LL

Approved by LL

Dated 10/22/81

EXHIBIT "A-1"

ZID1040145



FLOOR PLAN 1/6" = 1'-0" BLDG 596

EXHIBIT "C"
 CIBELL MARINE CORP.
 5,900 sq. feet

ZID1040146

PRINT
COPY

THIRD ADDENDUM TO LEASE

1 THIS THIRD ADDENDUM to that certain lease entered into
2 on July 9th 1981, between the Port of Tacoma, as Lessor, and
3 ZIDELL MARINE CORPORATION, as Lessee, as modified by the First
4 Addendum thereto dated August 6th 1981, and the Second Addendum
5 thereto dated November 5th 1981,

6 WITNESSETH:

7 1. Rental: Paragraph 3 of said lease, as modified by
8 the Second Addendum thereto, is further modified by substituting
9 the following rental figures for those set forth therein:

10 "Parcel 1:	\$4569.00
11 Parcel 2:	3305.00
12 Parcel 3:	3000.00
13 Parcel 4:	949.00
14 Parcel 5:	933.00
15 Parcel 6:	933.00
16 Parcel 7:	693.00
17 Parcel 8:	594.00"

18 2. Bond: Paragraph 23 of said lease, as modified by the
19 Second Addendum thereto, is further modified by deleting there-
20 from the figure "\$170,796.00" and substituting therefor the
21 figure "\$179,712.00".

22 3. Effective Date: This Third Addendum shall be effective
23 on July 1st, 1982.

24 4. Savings Clause: Except as herein modified said lease
25 and addenda shall remain in full force and effect.

26 IN WITNESS WHEREOF, the parties hereto have caused this
27 Addendum to be executed by their proper officers thereto autho-
28 rized this 10th day of June, 1982.

29 PORT OF TACOMA

ZIDELL MARINE CORPORATION

30 By: [Signature]
Its President

By: [Signature]
Its President

By: [Signature]
Its Secretary

By: [Signature]
Its Secretary

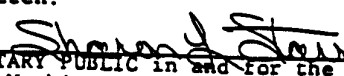
THIRD ADDENDUM - 1

ZID1040147

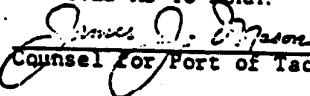
1 STATE OF WASHINGTON }
2 County of Pierce } ss.

3 On this 10th day of June 1982, personally
4 appeared before me the undersigned, a Notary Public, in and
5 for the State of Washington, duly commissioned and sworn,
6 JACK A. FABULICH and PAT O'MALLEY, to me known to be the
7 President and Secretary of the Port of Tacoma, a municipal
8 corporation, that executed the foregoing instrument and ack-
9 nowledged the said instrument to be the free and voluntary
10 act and deed of said corporation, for the uses and purposes
11 therein mentioned, and on oath, stated that they are authorized
12 to execute the said instrument and that the seal affixed is
13 the corporate seal of said municipal corporation.

14 WITNESS MY HAND AND OFFICIAL SEAL hereto affixed the
15 day and year first above written.

16 
17 NOTARY PUBLIC in and for the State
18 of Washington, residing at Tacoma
19

20 APPROVED AS TO FORM:

21 
22 Counsel for Port of Tacoma
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THIRD ADDENDUM - 2

ZID1040148

FOURTH ADDENDUM TO LEASE

1 THIS FOURTH ADDENDUM to that certain lease entered into
2 on July 9th 1981, between the Port of Tacoma, as Lessor, and
3 ZIDELL MARINE CORPORATION, as Lessee, as modified by the first
4 addendum thereto dated August 6th 1981, the second addendum
5 thereto dated November 5th 1981, and the third addendum thereto
6 dated June 10th 1982,

7 WITNESSETH:

8 1. Rental: Paragraph 3 of said lease, as modified by the
9 second and third addenda thereto, is further modified by sub-
10 stituting the following rental figures for those set forth therein:

11	Parcel 1	-	\$4,747.00
12	Parcel 2	-	3,434.00
12	Parcel 3	-	6,000.00
13	Parcel 4	-	986.00
13	Parcel 5	-	969.00
14	Parcel 6	-	969.00
14	Parcel 7	-	720.00
15	Parcel 8	-	617.00

16	Total	\$18,442.00
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17 2. Bond: Paragraph 23 of said lease is modified by
18 deleting therefrom the figure of "\$179,712.00" and substituting
19 therefor the figure of "\$221,304.00".

20 3. Effective Date: This Fourth Addendum shall be effective
21 on July 1st, 1983.

22 4. Savings Clause: Except as herein modified said lease
23 and addenda shall remain in full force and effect.

24 IN WITNESS WHEREOF, the parties hereto have caused this
25 Addendum to be executed by their proper officers thereto autho-
26 rized this 16th day of June, 1983.

27	PORT OF TACOMA	ZIDELL MARINE CORPORATION
28	By: <u>Jack G. Finkbeiner</u>	By: <u>Ernie E. Hall</u>
29	Its President, Acting	Its President
30	By: <u>W. B. Day</u>	By: <u>James A. Munn</u>
	Its Secretary	Its Secretary

FOURTH ADDENDUM - 1

ZID1040149

1 STATE OF WASHINGTON)
2 County of Pierce } ss.

3 On this 16th day of June 1983, personally
4 appeared before me the undersigned, a Notary Public, in and
5 for the State of Washington, duly commissioned and sworn,
6 *Jack A. Fabulich*
7 ~~PAT O'MALLEY~~ and R. G. EARLEY, to me known to be the *acting*
8 President and Secretary of the Port of Tacoma, a municipal
9 corporation, that executed the foregoing instrument and ack-
10 nowledged the said instrument to be the free and voluntary
11 act and deed of said corporation, for the uses and purposes
12 therein mentioned, and on oath, stated that they are authorized
13 to execute the said instrument and that the seal affixed is
14 the corporate seal of said municipal corporation.

15 WITNESS MY HAND AND OFFICIAL SEAL hereto affixed the
16 day and year first above written.

17 *Sharon J. Stein*
18 NOTARY PUBLIC in and for the State
19 of Washington, residing at Tacoma

20 APPROVED AS TO FORM:

21 *James J. Quinn*
22 Counsel for Port of Tacoma
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FOURTH ADDENDUM - 2

ZID1040150



ZIDELL MARINE CORPORATION

3121 S.W. Moody Avenue
Portland, Oregon 97201
(503) 228-8691/800-547-9259
FAX: (503) 228-6750/RCA Telex 283985

RECEIVED

JUN 28 1993

SUPERFUND REMEDIAL BR.

June 25, 1993

Ms. Allison Hiltner
Site Manager
U.S. Environmental Protection Agency
Superfund Remedial Branch, HW-113
1200 6th Avenue
Seattle, WA 98101

Re: Commencement Bay Nearshore/Tideflats Superfund Site
Mouth and Head of Hylebos Waterway

Dear Ms. Hiltner:

This is in response to the EPA's June 21, 1993 Special Notice Letter for Remedial Design CERCLA Section 104(e) Request for Information directed to Zidell Dismantling (now Zidell Marine Corporation) and signed by Ms. Carol Rushin, Chief, Superfund Remedial Branch. As directed by that letter, this response is being sent to you.

With regard to the three specific questions EPA asked, pages 7 and 8, Zidell Marine Corporation responds as follows:

- (1) None;
- (2) None;
- (3) All correspondence should be addressed to Richard J. McCain, Corporate Secretary and General Counsel, Zidell Marine Corporation, 3121 S.W. Moody Avenue, Portland, OR 97201, telephone (503) 228-8691.

As a matter of information, in reviewing the list of potentially responsible parties for which 401 Alexander Avenue has been noted as a property of concern, why has the United States Navy not been included?

ZID1040151

Ms. Allison Hiltner
June 25, 1993
Page two

Zidell understands that the 401 Alexander property, and adjoining property along the Hylebos, was once the Seattle-Tacoma shipyard operated by the United States Navy. In approximately 1960, we believe this property was purchased by the Port of Tacoma and a portion of that property designated as 401 Alexander Avenue later leased to Zidell.

Very truly yours,

ZIDELL MARINE CORPORATION

Richard J. McCain

Richard J. McCain
Corporate Secretary and
General Counsel

RJM:djh

ZID1040152